

The NATIONAL UNDERWRITER

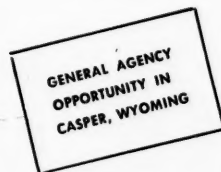
Life Insurance Edition



E. A. NORRIS

Woody Norris' earnings for the last six years are as follows:

1950 . . .	\$ 7,913.44
1951 . . .	11,664.57
1952 . . .	13,400.98
1953 . . .	14,055.65
1954 . . .	15,810.71
1955 . . .	24,981.53



I never expected to earn \$30,000 a year!

Indianapolis, Indiana
June 25, 1956

Mr. Francis J. O'Brien, Vice President
Franklin Life Insurance Company
Springfield, Illinois

Dear O'B:

It is hard to adequately express my gratitude to the members of the Home Office staff for the happiness and prosperity that have come to me and my family through my Franklin Life agency contract.

Upon graduating from Butler University, I felt I was fortunate when I signed a contract for a coaching job for \$3,000 annually; however, that same year I received an offer to play professional basketball for considerably more money. After two years of "pro" ball I was ready to settle down to something more permanent.

As I had no previous selling experience I was not sure I could sell anything, until I was shown our President's Protective Investment Plan. How grateful I am for that day!

In 1950 my cash earnings amounted to \$7,913.44, and now just six years later my annual income will be approximately \$30,000. This figure represents more money than I ever dreamed or expected to earn. This was accomplished by having a desire to improve my financial position, plus having the special savings and protection plans that have been designed to fulfill the prospect's wants as well as needs.

As I feel that I am a person of average ability, I am sure that my experience would not be an exceptional case. If a person has a desire to improve himself, and has our merchandise to work with, any goal is possible.

Sincerely,

E. A. "Woody" Norris

An agent cannot long travel at a faster gait than the company he represents!



The Friendly
FRANKLIN LIFE INSURANCE COMPANY

CHAS. E. BECKER, PRESIDENT SPRINGFIELD, ILLINOIS
DISTINGUISHED SERVICE SINCE 1884

The largest legal reserve stock life insurance company in the U.S. devoted exclusively to the underwriting of Ordinary and Annuity plans
Over Two Billion Dollars of Insurance in Force

FRIDAY, AUGUST 3, 1956



THE COMPANY shall be responsible for assisting the new agent in preparing and following a sound operating budget during his first year in the business.

* In selecting and training the new agent, we believe that the Company's responsibility must go much further than the printed terms of its contract. In fairness to the agent . . . the Company . . . the insurance business itself . . . we must assure the new agent every possible chance of success. In this series of messages, we present a few of what we consider to be our inescapable obligations under this "invisible contract".

The new agent is, literally, "going into business for himself". Any new venture must be solidly based upon a sound operating budget, if it is to be successful. Through conferences with the new agent (and his wife), we help him prepare a careful schedule of monthly expenses and anticipated income. The agent and the company each keep a written copy. It answers two essential questions; (1) is the agent on his way to becoming a "going concern"?; and, (2) is he demonstrating the ability to manage money?

California-Western States Life Insurance Company

HOME OFFICE: SACRAMENTO

THE COUNTRY'S MOST FRIENDLY COMPANY OFFERS . . .

- Modern and attractive agent's and general agent's contracts to those looking for a permanent connection.
- An outstanding sales record—60% increase in Life Insurance sales in 1955 over 1954.
- Complete line of Life Insurance contracts from birth to age 70—with excellent sales material.
- A complete Accident and Health line that includes both commercial and non-cancellable contracts.

COMPANY'S EXPANSION PROGRAM OFFERS

Openings in California, Florida, Illinois, Indiana, Kansas, Michigan, Minnesota, Missouri, Nebraska, New Jersey, North Dakota, Ohio and Wisconsin



NORTH AMERICAN LIFE INSURANCE COMPANY OF CHICAGO

R. D. "Buck" Rogers, CLU Director of Agencies
NORTH AMERICAN BUILDING, CHICAGO, ILLINOIS

NOW IN OUR FIFTIETH YEAR

Character of Individuals

multiplied many times becomes the character of an organization. That of the Philadelphia Life Organization has been molded and refined by the experiences of half a century of service. It is the cornerstone of our plans for growth which necessarily includes the expansion of an outstanding agency group imbued with similar ideals and stirred by visions of the future. This Company combines AGE for dependability — YOUTH for urge and vision.



Philadelphia Life

INSURANCE COMPANY

111 NORTH BROAD STREET, PHILADELPHIA 7, PA.

William Elliott, President

Joseph E. Boettner, C.L.U., Executive Vice-President

OVER A QUARTER OF A BILLION OF INSURANCE IN FORCE

"One of the Best"

. . . a reputation earned by Central Life's devotion to progress, consistent with Safety, Service and Quality through six decades . . . a reputation maintained by progressive leadership.



Insurance in Force over \$440 Million
Assets over \$140 Million

Central Life ASSURANCE COMPANY

HOME OFFICE DES MOINES, IA.

The NATIONAL UNDERWRITER

The National Weekly Newspaper of Life Insurance

60th Year, No. 31
August 3, 1956

Bill That Would Have Tangled Life Investments Loses

But Sen. O'Mahoney Will Again Seek Enactment of Measure Next January

WASHINGTON—A House-passed bill that could have snarled up life company investment procedures and substantially changed the character of life insurance investments fortunately failed of enactment in the Senate during the rush for adjournment. But its backers will be pushing it again in January.

The bill, HR 9424, was not really aimed at life company investment practices but at nipping mergers that might conceivably violate the Clayton anti-trust act. Nevertheless, its scope was so broad that literal-minded enforcement authorities could have raised havoc with life company investment operations.

Purchases of securities or mortgages, even in amounts considered fairly routine by life company standards, would have entailed 90 days' advance notice to the Department of Justice and the Federal Trade Commission in numerous types of situations. It would have kept funds tied up needlessly. More than that, it would have made the Federal Trade Commission a factor in innumerable life company investment decisions.

Sen. O'Mahoney's efforts to bring the measure to the Senate floor for a vote lost out largely because of last-minute committee amendments, the lateness of the efforts to get the bill voted on, and an objection from Sen. Bricker to having the measure considered.

How badly the bill, if enacted, would have fouled up the life companies' investment procedures and added to the cost of life company operations is difficult to say. If leniently administered, with intelligently drawn regulations to exempt transactions obviously having no bearing on mergers violating the Clayton act, it might have caused comparatively little trouble.

But as passed by the House, the bill took in so much territory that an overzealous trust-buster in the FTC, administering the act, could have created an impossible situation. The basic difficulty lies in drawing an act which will head off monopoly-tending mergers without messing up transactions that have no possible taint of monopoly.

Efforts to draft exceptions that will exempt the latter type of purchases get into extremely complex and detailed language.

The bill's aim is logical enough—to spot mergers that would violate the Clayton act and forestall them rather than waiting until there is an actual merger and it becomes a matter of unscrambling the eggs. The latter

(CONTINUED ON PAGE 3)

Nominate John Lloyd to Succeed Bryan as ALC President

The nominating committee of American Life Convention has unanimously selected John A. Lloyd, president of Union Central Life, to be the next president. He will succeed Joseph M. Bryan, chairman of Pilot Life and senior vice-president of Jefferson Standard at the annual meeting in Chicago Oct. 8-12.



John A. Lloyd

Five nominations were made for membership on the executive committee—four for three-year terms and one to fill out the last year of a three-year term open by resignation. The executive committee nominees are Edwin W. Craig, chairman of National Life & Accident; Richard B. Evans, president of Colonial Life; G. L. Holmes, president of Manufacturers Life of Canada; Leland J. Kalmbach, president of Massachusetts Mutual, and David M. Morgan, president of Northern Life of Seattle. Mr. Craig and Mr. Morgan are nominated to their second three-year terms, Mr. Evans and Mr. Kalmbach for the first time, and Mr. Holmes to complete the term of E. C. Gill, president of Canada Life, who had to resign because of other commitments.

The nominating committee report has been sent to member companies, but under the constitution other nominations may be made in open meeting at the time of the election. This will be on Oct. 10.

The nominee for president, John Lloyd, started in business as a newspaper reporter in Ohio, later was in the printing and advertising business and in the Ohio legislature. In 1933 he was made executive secretary of Ohio Assn. of Insurance Agents and six years later was appointed Ohio insurance superintendent, being reappointed in 1941 and 1943, but in the latter year went with Union Central as vice-president. He was elected a director of Union Central in 1948, executive vice-president last year and president in January of 1956.

At the 1953 meeting of American Life Convention, Mr. Lloyd was named to the executive committee and he is completing his three year term.

Name HOLUA Program Committee

Doane Arnold, 2nd vice-president of New England Life and president of Home Office Life Underwriters Assn., has appointed a program committee for the 1957 meeting. It consists of Bruce D. Shepherd, underwriting secretary of Berkshire Life, chairman; T. B. Anderson, secretary of reinsurance underwriting of Connecticut General; Charles J. Smith, underwriting secretary of Pan-American Life, and Ewart F. Vardon, underwriting secretary of Crown Life.

LIKE IT IN WIS., TOO

Variable Annuity Concept Is Sound, Special Study Finds

Even though the battle may continue for some time over proposals to sell variable annuities, there is no doubt today that this controversial contract is based on sound principles.

That is the conclusion reached in a special study which appeared in a recent issue of the *Outlook*, a weekly financial pamphlet put out by Standard & Poor's Corp., New York publishing firm.

The special study repeated the assertion often made by variable annuity proponents that fixed annuities protect their owners against deflation but cannot provide a hedge against inflationary periods like the one now prevailing. Accompanying the *Outlook's* brief study was a chart showing how dividend income from common stocks has risen in recent years, while the return from government bonds has remained generally constant.

The article cites the argument that existing insurance contracts do not protect policyholders against changes in the economy. It points out that a \$10,000 fixed annual income in 1942 has only about \$6,500 in buying power today. But dividends have climbed from \$6.16 to \$19.50 in that 14-year period. (Stocks in Standard & Poor's daily index of industrials were used as a yardstick.)

Putting it another way, a stock portfolio which provided a \$10,000 income in 1942 will yield \$31,600 in today's money or \$19,600 in 1942 dollars. The return from common stocks in these 14 years has better than doubled in real purchasing power, while fixed annuity income has dropped by 35%, the study asserts.

The article quotes a Wall street man who, when asked if the average person can afford to own common stocks, replied: "You can't afford not to own common stocks."

The *Outlook* draws attention to Wall streeters' oft-voiced fears that sale of variable annuities by life companies might cause many people to forsake direct common stock purchases for this new type of investment.

However, it reiterates the variable annuity backers' statements that many people would learn about the advantages of investing in common stocks

(CONTINUED ON PAGE 16)

'Illegal' Actions in Mass. Employees Group Plan Charged

Political Motivation Seen in Vehement Attack of Bay State's Auditor

BOSTON—State Auditor Buckley of Massachusetts has accused the State Employees Group Insurance Commission of "illegal use of appropriated or borrowed funds" in administering the program, which includes life and A&S. He also attempted to make something of the fact that the company that was granted the contract last December 30, had not been certified to write group insurance until that very day.

Mr. Buckley stated in an audit report that the Massachusetts Savings Bank Life insurance system, which had hoped to handle the group A&S benefits under the savings bank life insurance law, were not informed of the rates they were supposed to underbid. Mr. Buckley pointed to several types of situations in which he said the savings banks granted higher benefits for accidental injuries.

The state auditor said the group insurance commission had "borrowed" employees paid from other state accounts to work on the state employees insurance program, hereby "falsifying" the cost of the program's administration. He said the legislature appropriated \$10,000 for the administration of the state group insurance commission and \$3,000 was later transferred from the governor's "extraordinary fund."

"It was then discovered," he said, "that these funds were not sufficient and the commission then deliberately by-passed statutes and regulations by illegally borrowing personnel paid by bond funds, money set aside for veterans services, and funds appropriated for other purposes, with the consent of the commissioner of administration, who is also a member of the State Employees Group Insurance Commission."

Carl A. Sheridan, commissioner of administration, refused to comment on the Buckley charges other than saying

(CONTINUED ON PAGE 15)

Late News Bulletins . . .

Health Insurance Probe Begun in N. Y.

NEW YORK—A sweeping study of the practices of insurance companies and non-profit plans in the field of health insurance in New York state has been undertaken by a committee of the state legislature's joint committee on health insurance plans. The inquiry, to be completed within the next two months, is a part of a broad examination of individual and group health insurance by the committee. It will also provide information and criteria for use by a temporary health insurance board established by the legislature to develop a health plan for 80,000 present and retired employees of the state.

Sen. Metcalf, the chairman, said he had sent detailed questionnaires to 11

(CONTINUED ON PAGE 6)

Major Medical Tops Group Coverages in New Highs in 1955

Last year was a record one for group, with group major medical leading the way in rate of growth by covering 4,756,000 persons at year's end, up 152%, according to Life Insurance Assn. of America.

The coverage, first written in 1949, was on 2,236,000 employees and 2,520,000 dependents at year's end. The new comprehensive major medical has been issued to 830,000 of these people.

Group creditor life at year's end covered a record 23 million persons, up 6,729,000, on \$12,371,000,000 worth of credit.

The association's annual analysis of all types of group issued by life, A&S and casualty companies also showed that the number of persons covered by group life increased 3,444,000 last year, while group hospital and group surgical rose by 3,106,000 and 3,166,000 persons, respectively.

Although all group coverages have increased sharply since the end of World War II, the A&S units have shown the greatest gains. A&S benefit payments last year exceeded \$1 billion and combined group payments passed the \$2 billion mark.

A chart detailing group experience appears at the right.

New Okla. Insurance Code Passes First Test

The revised Oklahoma insurance code has been approved by the state legislative council's insurance committee and will be submitted to the executive committee at a meeting Sept. 20 at Tulsa.

The code has been under revision for nearly a year and in its new form will run about 275 printed pages. Among the features are tightening of the license law to require all persons to take written examinations for agents' licenses. Another change would earmark 3% of the present gross premium tax for a special insurance department fund, with a limit of \$200,000, the excess going to the state general revenue fund. The \$200,000 would form the basis for the department's annual appropriation. Enactment of the code at the next legislature is considered reasonably certain.

Midland Mutual Increases Maximum Age of Issue

Midland Mutual Life has increased the maximum age of issue from 65 to 75 on its preferred paid-up life at 85 and endowment at 85, has increased the age limit for issue of sub-standard from 60 to 70, and has modified the limits for non-medical. The new non-medical limits are \$5,000 for under age six months, \$10,000 for ages 1 to 14, \$15,000 for 15 to 30, \$10,000 for 31 to 35, \$5,000 for 36 to 40 and \$5,000 for married females to age 40.

The company also has increased limits accepted on one examination by both regular and chief examiners. The limits for regular examiners has been raised from 25,000 to \$50,000 and for chief examiners from \$50,000 to \$100,000.

Indianapolis CLUs Elect

James E. Bettis, general agent of Berkshire Life, has been elected president of Indianapolis CLU chapter to succeed James R. Comstock, agency manager of American United Life.

Other officers are Richard H. Englehart of Equitable Society, central vice-president; Winston H. Robbins of Equitable Life of Iowa, Lafayette, northern vice-president; Dr. J. Edward

N. Y. Life Sells Apartment

Princeton university is purchasing Stanworth, a 154-family garden apartment community owned and managed by New York Life at Princeton, N. J., for a reported \$1,820,000.

Stanworth, completed in 1947, was the first New York Life housing development and was built on land purchased from the university. New York

Life does not contemplate disposing of any of its other much large housing developments in Manhattan, Queens and Chicago, according to Chairman Devereaux C. Josephs. All are fully rented and are satisfactory long term investments.

John Hancock to Sponsor TV Show

John Hancock will sponsor NBC's "Producers' Showcase," a series of major TV shows. The first show is tentatively scheduled for Dec. 10, with four more 90-minute spectaculars appearing in the first half of 1957, year of the company's 95th birthday.

Sponsorship will be shared with Radio Corp. of America. John Hancock will continue to advertise in national magazines.

New Colo. Company

Perpetual Life, a new company, has been established in Colorado with headquarters in the Farmers Union building, Denver. Officers, all Colorado business and professional men, are Ernest L. Perrine, president; Harold J. Miller, vice-president, and William A. Branch, secretary.

GROUP INSURANCE AND GROUP ANNUITY COVERAGE—CONTINENTAL UNITED STATES BUSINESS—1955

All Life, Accident and Health, and Casualty Insurance Companies

Compiled by the Life Insurance Association of America

Kind of Coverage	Year	New Business Issued During Year			Total in Force December 31			Premiums and Considerations During Year
		Number of Master Policies	Number of Individuals Covered	Total Amount of Coverage	Number of Master Policies	Number of Individuals Covered	Total Amount of Coverage	
Group Life Employee Coverage	1955	15,230	2,079,000	\$11,079,000,000	89,350	30,530,000	\$100,448,000,000	\$986,200,000
	1954	12,100	3,480,000	13,133,000,000	81,210	27,476,000	85,729,000,000	843,200,000
	1953	11,490	2,040,000	6,083,000,000	74,450	25,359,000	72,486,000,000	760,500,000
Dependent Coverage	1955	530	344,000	179,000,000	2,010	1,548,000	852,000,000	4,100,000
	1954	380	292,000	191,000,000	1,500	1,158,000	666,000,000	3,300,000
	1953	430	252,000	160,000,000	1,120	732,000	427,000,000	2,500,000
Group Creditor's Life	1955	***	***	***	26,850	22,965,000	12,371,000,000	107,900,000
	1954	***	***	***	22,410	16,236,000	7,917,000,000	69,100,000
	1953	***	***	***	18,520	13,546,000	6,855,000,000	58,000,000
Wholesale Life (Ordinary)	1955	Units: 9,540	86,000	225,000,000	Units: 37,060	332,000	754,000,000	11,600,000
	1954	3,370	45,000	105,000,000	32,120	291,000	619,000,000	11,000,000
	1953	2,770	39,000	93,000,000	30,720	279,000	589,000,000	10,400,000
Group Annuities	1955	610	155,000	10,200,000	4,750	3,360,000	1,150,000,000	1,065,000,000
	1954	430	102,000	8,900,000	4,170	3,185,000	1,025,000,000	990,000,000
	1953	450	117,000	9,700,000	3,780	3,010,000	915,000,000	965,000,000
Group Wage Replacement	1955	30,310	1,366,000	78,600,000	235,160	19,223,000	615,000,000	510,600,000
	1954	24,740	1,278,000	50,100,000	214,020	18,323,000	552,000,000	473,600,000
	1953	28,260	1,649,000	53,300,000	217,500	18,739,000	533,000,000	461,000,000
Group Hospital Expense Employee Coverage	1955	12,500	1,861,000	22,200,000	78,240	15,350,000	147,000,000	255,100,000
	1954	13,000	1,368,000	16,800,000	76,850	14,281,000	131,000,000	227,300,000
	1953	12,790	1,735,000	18,900,000	69,990	14,186,000	120,000,000	193,100,000
Dependent Coverage	1955	11,610	2,536,000	27,100,000	69,430	22,766,000	208,000,000	347,400,000
	1954	12,170	2,044,000	20,500,000	68,250	20,729,000	168,000,000	285,900,000
	1953	11,900	2,623,000	26,800,000	60,970	19,324,000	153,000,000	249,700,000
Group Surgical Expense Employee Coverage	1955	12,450	1,835,000	476,500,000	79,230	16,089,000	3,593,000,000	110,200,000
	1954	12,830	1,447,000	377,700,000	77,070	14,993,000	3,287,000,000	104,100,000
	1953	12,880	1,844,000	426,400,000	71,910	14,930,000	3,113,000,000	93,900,000
Dependent Coverage	1955	11,660	2,571,000	645,900,000	69,250	22,724,000	4,838,000,000	195,600,000
	1954	12,160	2,269,000	554,500,000	66,990	20,654,000	4,220,000,000	183,600,000
	1953	12,160	2,842,000	626,600,000	61,210	19,946,000	3,680,000,000	157,700,000
Group Medical Expense Employee Coverage	1955	8,360	1,518,000	***	38,450	9,000,000	***	41,600,000
	1954	7,570	1,100,000	***	31,270	7,463,000	***	31,200,000
	1953	8,210	1,492,000	***	28,570	6,770,000	***	27,100,000
Dependent Coverage	1955	7,560	2,146,000	***	32,340	10,774,000	***	31,200,000
	1954	6,850	1,506,000	***	25,090	8,256,000	***	24,000,000
	1953	7,420	1,837,000	***	22,610	6,960,000	***	18,200,000
Group Major Medical Expense—Supplementary to Basic Plans Employee Coverage	1955	1,180	1,001,000	***	2,170	1,909,000	***	15,900,000
	1954	480	286,000	***	1,090	774,000	***	8,500,000
	1953	1,110	832,000	***	2,020	2,016,000	***	14,800,000
Dependent Coverage	1955	450	484,000	***	1,020	1,064,000	***	9,200,000
	1954	500	259,000	***	600	326,000	***	3,200,000
	1953	80	9,000	***	100	22,000	***	300,000
Group Major Medical Expense—Comprehensive (No Basic Plans) Employee Coverage	1955	470	395,000	***	570	504,000	***	4,900,000
	1954	80	16,000	***	100	29,000	***	400,000
	1953	470	395,000	***	570	504,000	***	4,900,000
Group Accidental Death and Dismemberment	1955	9,240	1,254,000	5,114,800,000	62,690	15,602,000	44,501,000,000	43,400,000
	1954	7,800	2,855,000	9,380,800,000	56,950	13,972,000	35,023,000,000	33,500,000
	1953	8,600	1,379,000	3,055,700,000	53,460	11,803,000	26,244,000,000	29,500,000

TOTAL PREMIUMS AND CONSIDERATIONS

Year	Group, Group Creditors and Wholesale Life	Group Annuities	Group Accident and Health	Total
1955	\$1,110,000,000	\$1,065,000,000	\$1,574,000,000	\$3,749,000,000
1954	927,000,000	990,000,000	1,382,000,000	3,299,000,000
1953	831,000,000	965,000,000	1,239,000,000	3,035,000,000
1952	728,000,000	860,000,000	1,022,000,000	2,610,000,000
1951	624,000,000	775,000,000	853,000,000	2,252,000,000
1950	559,000,000	690,000,000	629,000,000	1,878,000,000
1949	489,000,000	530,000,000	460,000,000	1,479,000,000
1948	459,000,000	540,000,000	386,000,000	1,385,000,000
1947	402,000,000	450,000,000	306,000,000	1,158,000,000

Master policies and certificates providing more than one coverage were counted for each kind of coverage. Group life and annuity data compiled by the Institute of Life Insurance.

This survey represents data of the 469 United States and Canadian insurance companies which write group insurance.

Hedges of Indiana university, southern vice-president, and Hilbert Rust, president of Insurance Research & Review Service, reelected secretary-treasurer.

N. Y. Life Sells Apartment

Princeton university is purchasing Stanworth, a 154-family garden apartment community owned and managed by New York Life at Princeton, N. J., for a reported \$1,820,000.

Stanworth, completed in 1947, was the first New York Life housing development and was built on land purchased from the university. New York

Life does not contemplate disposing of any of its other much large housing developments in Manhattan, Queens and Chicago, according to Chairman Devereaux C. Josephs. All are fully rented and are satisfactory long term investments.

John Hancock to Sponsor TV Show

John Hancock will sponsor NBC's "Producers' Showcase," a series of major TV shows. The first show is tentatively scheduled for Dec. 10, with four more 90-minute spectaculars appearing in the first half of 1957, year of the company's 95th birthday.

Sponsorship will be shared with Radio Corp. of America. John Hancock will continue to advertise in national magazines.

New Colo. Company

Perpetual Life, a new company, has been established in Colorado with headquarters in the Farmers Union building, Denver. Officers, all Colorado business and professional men, are Ernest L. Perrine, president; Harold J. Miller, vice-president, and William A. Branch, secretary.

Argue West

West

in Kanav

ton to c

against th

The insur

Accident,

Phoenix

ginia, cor

surance o

other cor

fairly dis

based on

er's capi

without a

owned in

Assistar

15% INCREASE

4,176 Take 5,276

CLU Examinations

There was a 15% increase in number of candidates taking examinations for the CLU designation, according to the American College. There was also a 7% increase in newly registered candidates.

In the June examinations, 4,176 candidates took 5,276 examinations. Last year 3,630 candidates took 4,521 examinations. As recently as 1951 there were only 2,310 candidates taking 3,201 examinations.

This year 17 of the 4,176 candidates took all five examinations and 3,292 took one examination.

Since CLU candidates need not register to take the examinations until late in the school year, the figure for newly registered candidates is not usually known by the American College until just before examination time. The figure for this year is 1,906, a 7% increase over 1955's 1,777.

Dean Herbert C. Graebner of the American College believes that as a conservative estimate there may be 500 new CLUs receiving the designation at the annual conferment in Washington in September during the National Assn. of Life Underwriters annual meeting. Last year there were 407, of whom seven were women.

Grading of the examinations is done by a group of 49 professional graders. When the examination books arrive at the American College, the first step is to remove the candidates' names from the covers and substitute serial numbers. Thus at no point in the grading process does the grader know who wrote the examinations. All books except those receiving very high scores are graded at least twice or three times independently.

Since the American College was organized in 1927, a total of 5,981 men and women have passed the entire series of five CLU examinations and 5,755 have received the designation. More than 8,000 additional persons have earned partial credit toward their CLU designation by passing from one to four of the examinations.

Argue Tax Case in West Virginia

West Virginia has filed demurrers in Kanawha circuit court at Charleston to complaints filed by insurers against the new license tax on insurers. The insurers, Niagara Fire, Standard Accident, Employers Mutual Casualty, Phoenix Mutual Life, and Life of Virginia, contend that the tax falls on insurance corporations differently from other corporations and hence is unfairly discriminatory. The new tax is based on the relation between insurer's capital or unassigned surplus without any relationship to property owned in the state.

Assistant Attorney General Riley in filing the demurrers argued that the tax is on the privilege of engaging in the insurance business in the state for profits and therefore is not discriminatory, or unfair, or dual.

Protective to Vote on Declaring Stock Dividend

Protective Life's stockholders Oct. 25 will consider a proposal to declare a stock dividend to increase capital from \$2 million to \$3 million. There would be 300,000 shares as against the present 200,000. Par value would remain \$10.

Predict Life Sales Will Exceed \$50 Billion This Year

Life insurance sales are expected to hit at least \$50 billion this year, breaking the \$48,427,000,000 annual sales mark set in 1955.

This prediction is made by Institute of Life Insurance, which points out that life sales in the first six months totaled \$25.1 billion, up \$1,650,000,000 or about 7%. If this increased sales volume continues for the rest of the year, which includes the traditional big December, the institute's conservative forecast may well be exceeded by a few billion.

Insurance in force at half-year stood at \$393 billion on more than 103 million policyholders. The current high sales should push the figure to an all-time \$400 billion peak sometime in September, the institute says. In force has climbed \$20 billion in the first six months.

The institute estimated average life insurance per family at midyear at \$7,200; up \$300 in the six months.

Payments to policyholders in the first half averaged \$16 million a day and totaled \$2,920,000,000, up \$220 million.

Funds accumulated to guarantee future policy payments increased in the first half to \$900 per policyholder and totaled an estimated \$93 billion, up \$2.7 billion in six months, repre-

Life Insurance Gains in '56
(In Billions)

TOTAL AMOUNT IN FORCE	
Jan. 1	\$372
June 30	\$393
LIFE INSURANCE ASSETS	
Jan. 1	\$90
June 30	\$93
BENEFITS PAID	
6 Mos. '55	\$2.7
6 Mos. '56	\$2.9
NEW LIFE INS. PURCHASED	
6 Mos. '55	\$23.4
6 Mos. '56	\$25.1

INSTITUTE OF LIFE INSURANCE

senting the assets of all U.S. life companies. Adding funds available for reinvestment from maturities, refundings and sales of previous investments, about \$9.3 billion was available for investment by life companies in the first half.

Life companies financed a record \$3.5 billion of new mortgages in the first half, bringing total investments of this type to \$31.3 billion. Mortgage acquisitions in the first half of 1955 totaled \$3,102,000,000. The greater part of this investment is in housing.

Corporate securities acquired by life companies in the first half totaled \$3.1 billion, up \$790 million. Holdings of this type at midyear totaled \$40.2 billion, up \$1.2 in the first half.

Walsh Is Counsel of Pa. Department

Commissioner Smith of Pennsylvania has appointed Charles V. Walsh, Philadelphia lawyer, associate counsel in the insurance department.

HOME OF
Confident
Living

Complete portfolio of Life and S&A... outstanding package exclusives... Junior Estate builder... automatic Waiver... \$10-per-thousand Disability Income... Non Cancellable S&A (to 65)... comprehensive mass coverages... progressive merchandising... professional training... exclusive performance bonus. Ask for Confident Living brochure "BO-321".

HOME OFFICE
MINNEAPOLIS,
MINNESOTA

NORTH AMERICAN Life and Casualty Company

H. P. Skoglund—President • J. E. Schofield, CLU—Vice President, Director of Agencies

OVER HALF A BILLION OF LIFE INSURANCE IN FORCE

Mr. Agent:
Substandard-Surplus Business
is good business for you! We
give your most difficult cases
top consideration, issue up to
Table P, allow top commissions.
Write for actual case histories.

UNITED
LIFE AND ACCIDENT
INSURANCE COMPANY

Concord, New Hampshire



For complete information, write H. V. Staehle, Jr., C.L.U., Field management Vice Pres., 5 White St., Concord, New Hampshire.

STATES SERVED: Conn., Del., D.C., La., Me., Md., Mass., Mich., N.H., N.J., N.C., Ohio, Pa., R.I., S.C., Vt., Va.

McLain Sees Economy at All-Time High in Final Quarter of '56

The last quarter of 1956 will be the greatest business period ever seen in



James A. McLain

the United States, said President James A. McLain of Guardian Life at the company's Leaders Club meeting held at Bretton Woods, N. H., for the New England and metropolitan New York areas.

Despite the difficulties in the automobile business and the present steel strike, Mr. McLain said the business outlook is extremely favorable.

"We in the United States will, in the decade just ahead, do the greatest, most dynamic business job the world

has ever seen," Mr. McLain declared.

He mentioned the tremendous backlog of savings, the increasing number of families moving from the lower to the middle income brackets, the continued population growth, present high employment, creation of entire new industries, tremendous expansion in rehabilitation plans of industry, and added "how can I be anything but optimistic for America's future, for the future, too, of our business, and your profession of life insurance."

At the opening session Frank F. Weidenborner, agency vice-president, presided and welcomed the group. Mr. McLain made the traditional presentation of awards.

Others who participated in the 3-day program included Lester A. Neiditz, Hartford; H. Arthur Warshall, New York manager; Thomas B. Grogan, assistant agency director; DeWitt Stern, New York; Manager Harry Haiblum, Brooklyn; Manager Maxwell Warshauer, Brooklyn; Murray Kusnitz, Providence; Daniel J. Reidy, vice-president and general counsel; John C. Slattery, superintendent of agencies for A&S; Irving S. Flischnick,

New York; D. J. Bailey, Boston; A. J. Raumann, New York. Mr. McLain gave the closing address, which included a discussion of the company's objectives in terms of the field man.

Indiana Says Insurers Not Obligated to FTC Rules for A&S Ads

No company is obligated under Indiana law to sign or adhere to the new FTC A&S advertising code, Samuel Kauffman, administrative assistant in the Indiana department, said in a reply to a query from Old Equity Life of Evanston.

The department, according to Mr. Kauffman, will be "completely satisfied" with adherence to the NAIC rules and the Indiana statute. "This department does not require adherence to any federal administrative rules or regulations of insurance and therefore does not require adherence to the new FTC rules," Mr. Kauffman said in his reply. "This department considers that the Indiana statutes and the NAIC rules adequately control and regulate the matters."

Union Central Elects Three Officers, Reassigns Others

Union Central Life has elected three new officers, reassigned duties of three other officers, and established a new department.



H. P. Winter

Harold P. Winter has been promoted from second vice-president to vice-president and will assume charge of agency and sales operations on Nov. 1.

Elmer Best has been promoted from assistant vice-president to second vice-president and is assigned to duties in the financial department. He assumed his new post Aug. 1.

Wendell F. Hanselman, first vice-president, who has been head of the agency department, will relinquish that post Nov. 1 and assume charge of insurance operations.

Richard S. Rust, vice-president and secretary, who has been head of insurance operations, will relinquish



Elmer Best



W. F. Hanselman

that post Nov. 1 and assume charge of the company's institutional operations. He also will direct the secretary's department.

A special group department has been organized, with Roger W. Clark, vice-president, in charge.

Marshall C. Hunt, assistant vice-president, has been elected an assistant



R. S. Rust



R. W. Clark

secretary, and will assume conduct of important duties in both of these capacities.

Frederic C. Hirons has been elected a second vice-president and assumed his duties Aug. 2, being assigned to the agency department. Mr. Hirons for several years has been the leading salesman in the Cincinnati agency and last year, with \$4,485,134 of production, was second in the entire sales force.

A DITC school will be operated beginning Sept. 21 for Minneapolis and St. Paul. Arne Brueheim, North American Life & Casualty, will be instructor, and enrollment chairman is W. O. Peterson, P. O. Box 116, St. Paul.

Memo to all insurance salesmen...

Make sure your client also has

DISABILITY INSURANCE!

Although your prospect or client may already have life insurance and a retirement plan, neither is designed to help him very much if he is disabled for a long period of time. An adequate disability income program is just as important to your prospect or client as his life insurance and retirement program. Through many years of experience in the disability income field, Provident has developed a range of coverages and premium payment plans to fit any need and budget. Your letter of request will bring full details.

BROKERAGE BUSINESS INVITED

PROVIDENT LIFE & ACCIDENT INSURANCE COMPANY
Chattanooga - Since 1887

LIFE ACCIDENT SICKNESS HOSPITAL SURGICAL MEDICAL

No
Ag
Ele

MI
assoc
Life
office
76th
agent
held a
ny's h
G.
gert, c
in F
Ind.,
Har r
New
genera
presid
Assn.
Othe
special
dent;
in Los
Lester
Milwa
urer.
The
cleus o
mittee,
nual r
executi
McTig
la; Wi
agent v
Charles
Baltim
special
Willam
moved

Electe
agents'
Mutual
Milwauk
Pretym
Agents'
O., Distr
L. Mom
Agents'

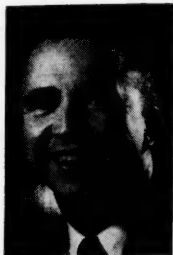
Assn. an
land, O
elect. Ot
D. Gold
vice-pres
Madison,
Roeder,
John C
ceeds M
the Distr
Zug of
1st vice-
of Memp
vice-pres
of Elgin,
treasurer.
The Sp
Leigh T
Mich., pr
Ben S. M
1st vice-
of Minne
and Leslie
reelected

Northwestern Mutual Agents' Associations Elect New Officers

MILWAUKEE—The four agents' associations of Northwestern Mutual

Life elected new officers during the 76th annual agents' meeting held at the company's home office.

G. Wendell Dygert, district agent in Fort Wayne, Ind., succeeds Harry Krueger, New York City general agent, as president of the Assn. of Agents.



G. Wendell Dygert

Other officers are John O. Todd, special agent in Chicago, 1st vice-president; John R. Mage, general agent in Los Angeles, 2nd vice-president, and Lester A. Wilbert, special agent of Milwaukee, reelected secretary-treasurer.

The four new officers form the nucleus of the association's executive committee, which will plan next year's annual meeting. Others elected to the executive committee were Dennis E. McTigue, district agent in Fort Dodge, Ia.; William C. Roeder, partner general agent with B. J. Stumm in Aurora, Ill.; Charles E. Rosch, special agent in Baltimore, and Stanley S. Trotman, special agent at New Haven, Conn.

Willard L. Momsen of Milwaukee moved up to head the General Agents'



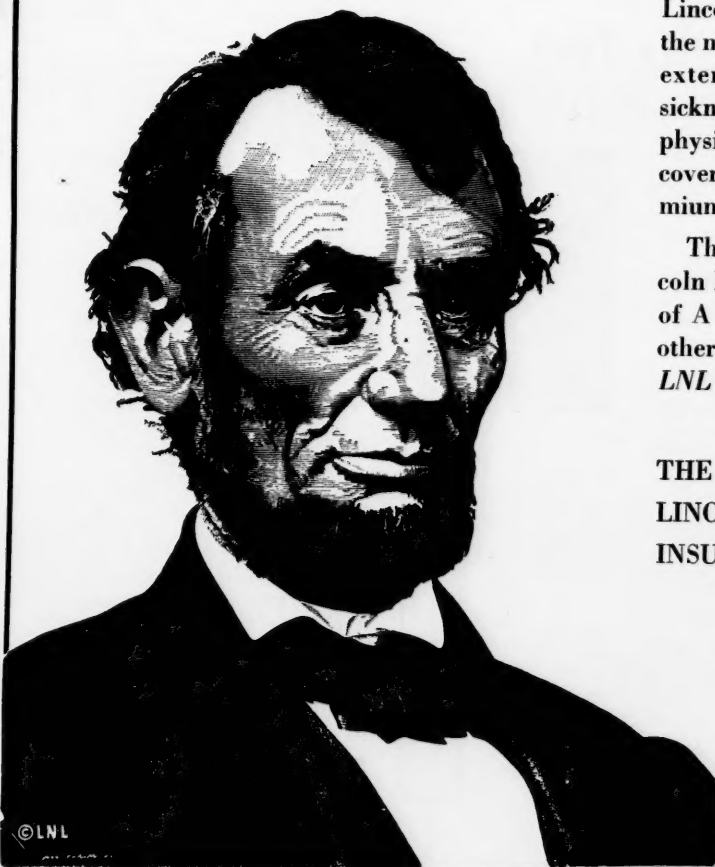
Elected presidents of three of the agents' associations of Northwestern Mutual Life at the annual meeting in Milwaukee were: (left to right) Leigh Prettyman of Muskegon, Special Agents' Assn.; John Vance of Canton, O., District Agents' Assn., and Willard L. Momsen of Milwaukee, General Agents' Assn.

Assn. and Lawrence J. Evans of Portland, Ore., was named president-elect. Other new officers are Howard D. Goldman of Richmond, Va., 1st vice-president; Frank R. Horner of Madison, 2nd vice-president, and Mr. Roeder, reelected secretary-treasurer.

John C. Vance of Canton, O., succeeds Mr. Dygert as president of the District Agents' Assn. Charles K. Zug of Bethlehem, Pa., was named 1st vice-president; Merrill Garcelon of Memphis, Tenn., was elected 2nd vice-president, and William K. Pierce of Elgin, Ill., was reelected secretary-treasurer.

The Special Agents' Assn. elected Leigh T. Prettyman of Muskegon, Mich., president to succeed Mr. Todd. Ben S. McGiveran of Milwaukee is 1st vice-president; Lewis T. Stearn of Minneapolis is 2nd vice-president and Leslie E. Westin of St. Paul was reelected secretary-treasurer.

SUBSTANDARD A & S



Lincoln National has again broadened the market for its agents—this time, by extending commercial accident and sickness insurance to many who have physical impairments. Regular policy coverages are available with the premium varying according to the risk.

This extended service, added to Lincoln National's already broad selection of A & S and Life plans, provides another reason for our proud claim that *LNL is geared to help its field men.*

THE
LINCOLN NATIONAL LIFE
INSURANCE COMPANY

Fort Wayne, Indiana

Its Name Indicates Its Character



**MODERN
WOODMEN
OF AMERICA**

"Life Insurance since 1883"

Home Office — Rock Island, Illinois

"HERE'S HOW I SOLD MY MILLION"

You'd enjoy comparing notes with these Modern Woodmen Agents, each of whom sold over a million in 1955: R. S. Bacher, Elmwood, Illinois (his

second consecutive million-dollar year); Dean E. Kelly, Alpha, Illinois (scoring in his fourth year with Modern Woodmen—his second as a District Manager); Fran Ortman, Rock Island, Illinois (who also topped a million for the second time). These men are typical of our capable field force which together made 1955 our best year in a quarter of a century.

The same opportunity—the same continuous training—the same sales aids used so successfully by these men can be yours, too—as a Modern Woodmen Agent.

Guardian Adopts Substandard A&S

NEW YORK—Guardian Life is now issuing substandard A&S on an "across the board" basis. The first group of three rating classes, which will be used in most cases, includes nine classes of percentage ratings, which are applied to the gross premium for the policy. The second group, accident flat ratings, which apply a specific extra premium expressed in dollars rather than a percentage, covers certain impairments, which present an

accident hazard but no additional health hazard.

The third group, A&S flat ratings, which are also expressed in dollars, are intended for use with impairments which are ratable, but in which the extra hazard does not increase with advancing age.

This broadened coverage now is available to impaired applicants on all of Guardian's A&S policies, including non-cancellable and major medical. The program is expected to reduce materially the number of riders and rejections on applications.

W. Va. Toughens Exam for New A&S Agents

West Virginia department has compiled and put into use a new 80-question examination for applicants seeking licenses to sell A&S in the state in an effort to cut down complaints arising from the sale of these policies.

Prepared by Richard Stouffer, deputy commissioner, the revised examination went into effect July 25. Most of the 100 complaints filed with the department each month stem from the lack of knowledge on the part of the agent selling A&S, Commissioner Gillyooly commented. The revised examination is more comprehensive than the former one, covering every phase of A&S from sale to delivery.

The department recently has required companies to file credit and character reports on new agents, Mr. Gillyooly added. Abuses in A&S have resulted in the revocation of several agents' licenses, and one company has had its license to sell A&S in the state revoked. A total of 263 companies

and more than 4,000 agents are currently licensed to sell A&S in the state.

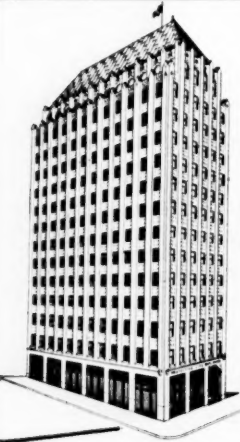
LIAMA Names Thayer to Research Staff

LIAMA has appointed Paul W. Thayer assistant program director in charge of the training unit of the research division.

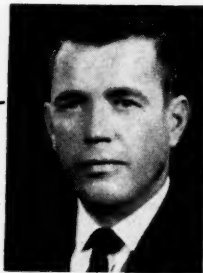
Mr. Thayer has been a psychology instructor at University of Pennsylvania and a research associate of Institute for Research in Human Relations since 1954. He holds a PhD in psychology.

Back Group Limit in Mich.

Michigan Assn. of Life Underwriters will sponsor in the 1957 legislature an amendment to the insurance code fixing ceilings on group term life coverage for individuals in line with recommendations of National Assn. of Insurance Commissioners. This calls for \$20,000 on any individual except highly salaried persons who would be limited to 1½ times salary with maximum of \$40,000.



Charlie McNeil . . .
You will earn
\$25,000 this Year . . .
with PROTECTIVE LIFE



Mr. Charles E. McNeil
P. O. Box # 1222
Mobile 7, Alabama

Dear Charlie,

Even though you had not sold life insurance before you took a Protective Life agent's contract 10 years ago, you have compiled a highly commendable record of success with our Company.

Your production and income have steadily increased throughout your entire Protective Life career. In 1955, Protective Life paid you more than \$21,000. The previous year, you earned more than \$18,000, and the year before that, \$14,000. This year, you should earn in excess of \$25,000 on your Protective Life agent's contract.

The Company is proud of your record. It is proud, too, of its own record of growth. During the 10 years you have been an agent, Protective Life's insurance in force has grown from \$200,000,000 to \$800,000,000. The Company has doubled in size in the last four years.

While we believe that our methods, our policy contracts, and our sales material have been helpful in making these records possible, we fully realize that the greater share of the credit is due you, and the others like you who have served so well for so long.

Charlie, there are any number of good companies with whom you could have achieved life insurance success. You held the key within yourself. Protective Life is grateful that you gave it the chance to provide the opportunity.

In all sincerity, we tell you: You could have done it without us; we could not have done it without you.

Your sincere good friend,

William J. Rushton
William J. Rushton
President

General Agency Openings Throughout the Southeast. Write Charles Barksdale, Agency Vice-President.

PROTECTIVE LIFE

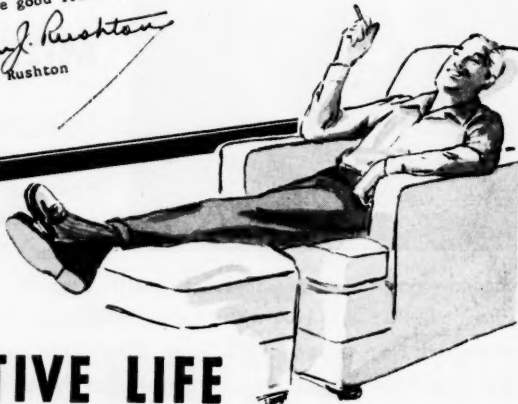
William J. Rushton
President

Serving the South
Since 1907



Insurance Company

PROTECTIVE LIFE BUILDING
BIRMINGHAM, ALABAMA



Late News Bulletins . . .

(CONTINUED FROM PAGE 1)

insurers that underwrite the bulk of the health insurance policies covering New York state residents. This phase of the inquiry deals with the types of health insurance offered and the coverage available, gaps in coverage, practices with respect to cancellation of policies, rights of policyholders to convert their health insurance coverage from group to individual enrollment, various restrictions enforced by the companies based on age and retirement and other factors, and enrollment for health insurance in rural areas.

Two Join Health Insurance Institute Staff

NEW YORK—Harry C. Meeker and Sam Klein have joined the staff of Health Insurance Institute as public relations specialists. Mr. Meeker has had many years experience in administration, fund-raising, public relations, sales management, health and welfare work, most recently as assistant director of the Columbia college development office after four years as associate director of a management advisory program, sponsored by Research Institute of America. Mr. Klein has been three years a consultant on written and audio-visual information materials with the National Tuberculosis Assn. at New York. In 1940-43 and again in 1946-47 he worked for the Associated Press, before becoming senior associate editor for Facts on File, Inc., a world news digest magazine.

Martin Mass. Mutual Director of Agencies

James R. Martin has been named director of agencies by Massachusetts Mutual. He has been in life insurance since 1940 in St. Louis, Peoria, New York City, and Rochester, N. Y. He joined Massachusetts Mutual in 1951 as assistant superintendent of agencies, becoming superintendent of agencies in the same year.

PL 15 Bars SEC, Says Variable Annuity Co.

WASHINGTON—Variable Annuity Life of Washington, D. C., has set up its defense against the complaint of the Securities & Exchange Commission that it is an investment company and subject to SEC regulation. The company relies largely on the contention that it is entirely an insurance company and hence public law 15 reserving the regulation of insurers to the states rules out SEC jurisdiction, since the company is properly regulated by the District of Columbia laws and insurance department. The company denies that its operations constitute dealing in securities.

D. E. Mitchell, South Dakota deputy, has been appointed acting commissioner to replace George Burt, who resigned Aug. 1 to join Farmers Mutuals of Madison.

Aetna Life Marks Hoodoo Day with Sales

Aetna Life group marked the recent Friday the 13th by selling more than 6,600 new A&S policies. The company has a tradition on Fridays that fall on the 13th, called Hoodoo Day, to stage a campaign stressing accident cover. During the recent 13th more than \$250,000 was sold by nearly 1,900 agents. And, 141 of them wrote 13 or more policies.

Leader of the Hoodoo Day was William E. Bishop, Aetna Casualty representative at Atlanta, who wrote 57 policies.



**BANK LOANS
ON VESTED
RENEWALS**

THREE OR FOUR
YEAR REPAYMENT

**UNDERWRITERS CREDIT &
GUARANTY CORPORATION**

340 Pine Street, San Francisco 4, California
Southern California & Arizona Branch Office
9935 Santa Monica Blvd., Beverly Hills, Calif.

Academic to Argue Against Variable Annuity: Woodson

Important Thing Is Adequate Safeguards, Says Director of Equity Annuity Life of D.C.

Benjamin N. Woodson, president of American General Life of Houston, is widely known in the life insurance business not only as a company executive but as former managing director of National Assn. of Life Underwriters. For that reason, his views on the variable annuity would be read with interest by a life insurance audience. However, in addition, Mr. Woodson is a director of the recently-organized Equity Annuity Life of Washington, D. C. The following article appeared in the July issue of "Home Port", American General's home office and field publication:

The variable annuity question is a vital one for every life insurance man, and particularly for one charged with responsibilities in the management of a life insurance company. The question is simple and forthright, and does not lend itself to equivocation. Sooner or later, it seems, one must decide whether he shall oppose the variable annuity, or embrace it. It seems pointless to pretend it isn't there, and hope it will go away . . .

The opponents say—and very persuasively, be it admitted—that if we sell variable annuities we shall be trading on the good name of life insurance in selling something which is not guaranteed; that the inevitable next decline in market values will bring disillusionment and ill will; that the variable annuity is laden with opportunities for misrepresentation at worst, and misunderstanding at best; and that if we sell variable annuities in significant volume (and thus buy common stocks in significant volume), we may find ourselves holding unwanted economic power which will bring with it new complications and new difficulties.

The proponents make a similarly effective case for their point of view. They contend that the public wants the variable annuity, needs it, and will have it . . . they argue that it will be better for all concerned if the variable annuity is offered by the institution of life insurance, whether through life insurance companies or their affiliates or subsidiaries, than by some other line of endeavor. They point to the pronounced decline in the sale of individual annuities, and to the continuing loss of group annuities and trusted insured pension plans to self-administered pensions which can invest in equities.

On balance, I am inclined to conclude that the variable annuity is something which may in course of time prove to be an item of evolutionary progress. It follows that I believe that companies desiring to do so should be allowed to experiment along such lines, subject to suitable safeguards and limitations.

It is well to recognize that much of the debate over variable annuities is academic, for the variable annuity is no mere idea, but a fact. It is here. We all know that it has been available for several years, albeit to a restricted market only, through the College Retirement Equities Fund, a subsidiary of the Teachers Insurance & Annuity Association of America. Now it is offered to the general public, at least in

the District of Columbia and on federal reservations, by a new company in

Washington.

So, for my part, I am less concerned today with prohibiting the variable annuity—or the equity annuity, as it might better be named—than with seeing it surrounded with proper safeguards and restrictions.

One of the restrictions I would propose would be that variable annuities should be sold only by the life insurance business, that is, by life insur-

ance companies or their subsidiaries or affiliates, rather than by other types of companies engaged fundamentally in other lines of business.

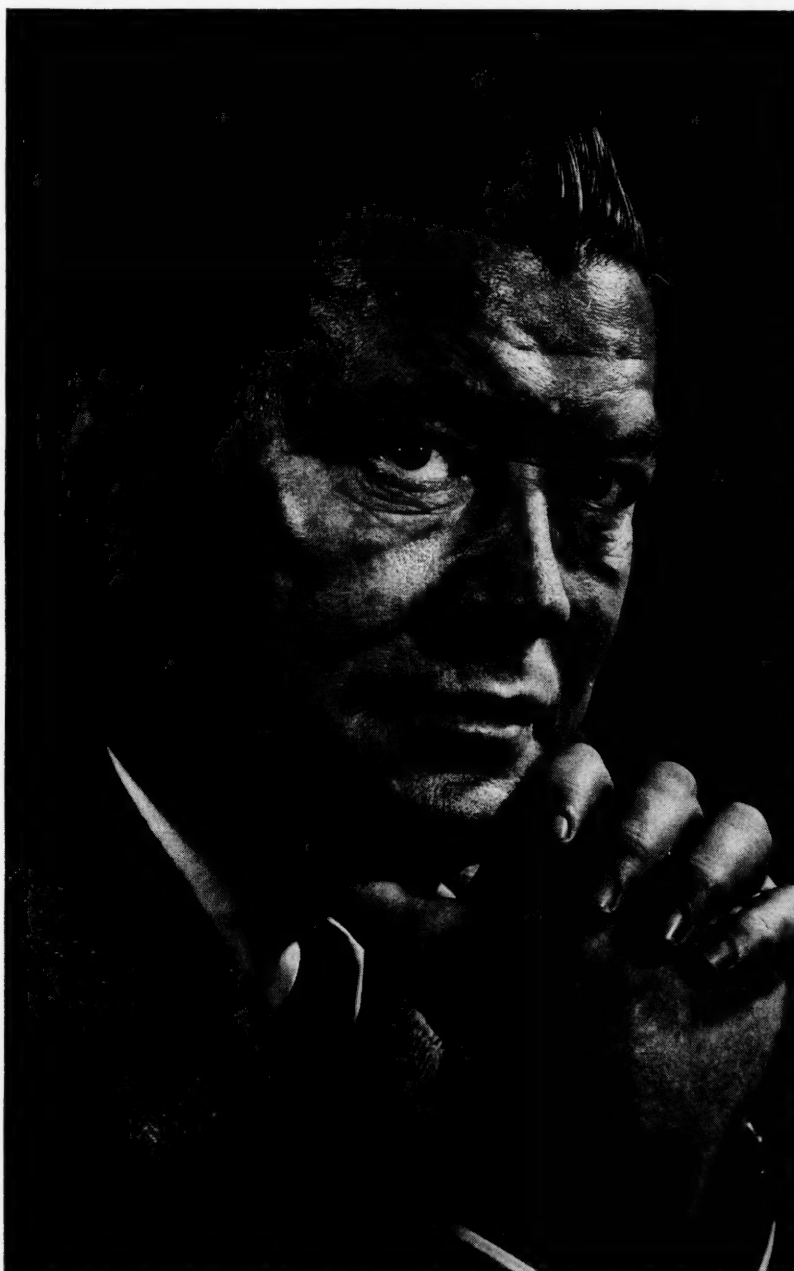
First, I feel it will be in the public interest to have variable annuities sold, if they are to be sold at all, by one who is a licensed life insurance man. Even if that particular salesman happens to sell nothing but variable annuities, he would still be subject to

(CONTINUED ON NEXT PAGE)

"If you want to keep the title to your success...use life insurance"

says GENE TUNNEY

*A director of ten national corporations,
Former Heavyweight Boxing Champion*



"WHEN I was still a professional boxer, I was fortunate in having friends who were concerned about my future. They pointed out that large and infrequent amounts of money don't automatically bring security. On the other hand, relatively small amounts consistently set aside year after year can accomplish tremendous results.

"Today, as a business man, I especially appreciate the wisdom of those friends who urged me to invest in life insurance.

"I have found in life insurance a great deal more than I had expected. In a way, it is like the training that brings success in the ring.

"A good life insurance program is really a program of regular exercise. The discipline it imposes upon you prevents your losing hold of your gains . . . it keeps you financially fit. And there's a sense of well-being in the knowledge that you are prepared right now for whatever may lie ahead for you and your family."

★

**HOW LONG IS IT SINCE YOU
HAVE REVIEWED YOUR
LIFE INSURANCE PROGRAM?**

BIRTHS, deaths, marriages, changing needs, taxes . . . all affect protection plans. A life insurance program needs review at least every two years.

You'll find real assistance when you call upon a Northwestern Mutual agent. He is trained to give understanding advice. His company is one of the largest in the world. It has over 99 years' experience.

Moreover, Northwestern Mutual offers so many significant advantages, including low net cost, that no company excels it in that happiest of all business relationships—old customers coming back for more.

A NORTHWESTERN MUTUAL POLICYHOLDER. Life insurance with Northwestern Mutual is the keystone of the program Mr. Tunney has set up to safeguard the future of his family.

The NORTHWESTERN MUTUAL Life Insurance Company

MILWAUKEE, WISCONSIN

APPEARING IN TIME, MARCH 26 AND APRIL 23; IN NEWSWEEK, MAY 7 AND JUNE 4; IN SUCCESSFUL FARMING, JULY

1956 Salute to Our CLU Association

Continental Assurance heartily congratulates the officers and members of the Company's CLU Association on another year of marked progress in terms of growth and creative usefulness. We proudly present:

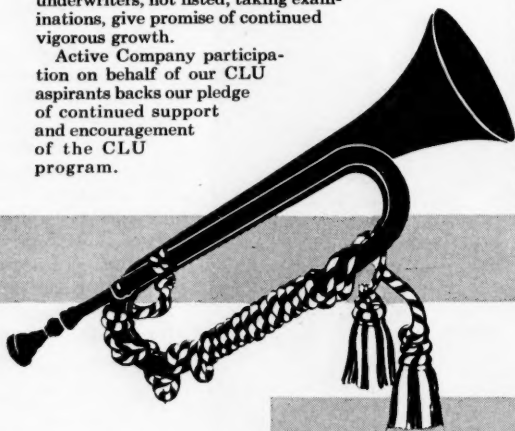
MEMBERS, CAC CLU ASSOCIATION

M. Selig Apperman
Rochester, New York
William T. Baldwin
Bakersfield, California
James A. Barbour
Indianapolis, Indiana
Jack J. Cohen
New York, New York
Milton Cohen
Newark, New Jersey
John M. Criner
Grand Rapids, Michigan
Donald L. Daniels
Boston, Massachusetts
Joseph N. Desmon
Buffalo, New York
Manuel Donchin
Chicago, Illinois
Harvey Goodstein
Philadelphia, Pennsylvania
Paul C. Green
Chicago, Illinois
Carl E. Haas
Brooklyn, New York
Morris B. Hack
Baltimore, Maryland
George L. Haines
Washington, D. C.

Thom L. Jordan
Chicago, Illinois
Edward D. Landers
Cleveland, Ohio
A. Walton Litz
Little Rock, Arkansas
John W. Mack
Chicago, Illinois
Ivan L. Mast
Waterloo, Iowa
William G. Mehaffey
Pittsburgh, Pennsylvania
William R. Otter
Chicago, Illinois
George Paddock
Chicago, Illinois
Howard J. Rordan
Washington, D. C.
Howard J. Rosan
New York, New York
Jule J. Roseman
New York, New York
Ralph A. Santella
Groversville, New York
Francis X. Schumacher, Jr.
St. Louis, Missouri
Harold N. Sloane
New York, New York

In addition to 28 members listed, 30 independent life underwriters are associate members of our Association. The 26 life underwriters, not listed, taking examinations, give promise of continued vigorous growth.

Active Company participation on behalf of our CLU aspirants backs our pledge of continued support and encouragement of the CLU program.



1956 DESK REFERENCE

for independent underwriters and surplus producers will be sent gladly on request.

1. UNDERWRITING DESK REFERENCE
2. FACILITIES SUMMARY
3. NON-CAN A & S CASE PLANNER

For convenience, request References wanted by number.

Continental
ASSURANCE COMPANY
A National Life Insurance Institution
310 S. MICHIGAN AVE. • CHICAGO 4, ILL.

CONTINENTAL ASSURANCE COMPANY
Dept. 317 310 S. Michigan Ave., Chicago 4, Ill.

Please send me 1956 Desk References as follows:

No. 1 ☐ No. 2 ☐ No. 3 ☐

NAME _____

AGENCY _____

STREET _____

CITY _____

ZONE _____ STATE _____

life insurance laws and regulations, and to the strong traditions and good influences of the life insurance environment. And if he happens to sell both variable annuities and life insurance policies as well, the situation would be particularly desirable, for thus he would be especially free of bias, and thus particularly unlikely to glamorize the equity beyond the point of reason.

Second, I believe the variable annuity business will best be policed by the life insurance business and best supervised by the forty-nine state insurance departments of these United States.

Third, if the equity annuity is anybody's business, it is *our* business, because it involves life contingencies.

And if variable annuities are to be sold by the life insurance business, I hope that they will be sold by subsidiary companies, or by companies organized for the purpose, rather than direct by life insurance companies engaged in the business of selling guarantees. (Many states would require special legislation before a life insurance company could own a subsidiary.)

First and foremost, I hold for the separate company in preference to the segregated fund within a life insurance company because I have grave doubts about the wisdom of introducing segregated funds into our business. I have no concern about the segregation of accounts (e.g., group, ordinary, indus-

trial, accident & sickness) and every concern about the segregation of assets. I hope we will never allow that camel to get his nose into the tent.

Second, I favor the subsidiary or separate company on the grounds that if the SEC sooner or later establishes jurisdiction over variable annuities—which presently looms as a possibility however unlikely or unsound it may appear—it would seem that we would be in better position if that jurisdiction extends to the business of a separate company, rather than to a company also engaged in the writing of regular life insurance and guaranteed annuities. (Let me say in passing that I can't for the life of me see why a fixed-dollar annuity is an *annuity* and a variable annuity is a *security*, or why the sale of a variable annuity constitutes the sale of a share of stock any more than the sale of a guaranteed annuity—or a life insurance policy—constitutes the sale of a bond or a mortgage).

And finally, I'd much rather see our life insurance company issue nothing but guarantees, as it always has. I'd rather that any variable or unguaranteed benefit be issued by another company, organized for the purpose and selling nothing else, however similar its name, and however closely related it might be.

Speaking for myself, then, I am interested not in *opposing* the variable annuity, but in *encouraging* adequate supervision and safeguards.

ACTUARIES

CALIFORNIA

COATES, HERFURTH &
ENGLAND

CONSULTING ACTUARIES

San Francisco Denver Los Angeles

ILLINOIS (Cont.)

CHASE CONOVER & CO.
Consulting Actuaries
and
Insurance Accountants

332 S. Michigan Ave. Chicago 4, Ill.
Telephone WAbash 2-3575

GA.-VA.-N.Y.

BOWLES, ANDREWS & TOWNE
ACTUARIES

Insurance Company
Management Consultants

RICHMOND ATLANTA NEW YORK

IOWA

TAYLOR AND TAYLOR
CONSULTING ACTUARIAL AND
IBM STATISTICAL SERVICE

Home Office 814 American Bldg.
Cedar Rapids, Iowa

GEORGIA & MICHIGAN

ALVIN BORCHARDT & COMPANY

CONSULTING ACTUARIES
— AND —
INSURANCE ACCOUNTANTS

3501 CADILLAC TOWER DETROIT 26, MICH.
1106 WILLIAM OLIVER BLDG. ATLANTA, GA.

INDIANA & NEBRASKA

Haight, Davis & Haight, Inc.
Consulting Actuaries

ARTHUR M. HAIGHT, President
Indianapolis Omaha

ILLINOIS

CARL A. TIFFANY & CO.
CONSULTING ACTUARIES

211 West Wacker Drive
CHICAGO 6
Telephone CEntral 6-1288

NEW YORK

Consulting Actuaries
Auditors and Accountants

Wolfe, Corcoran & Linder

116 John Street, New York, N. Y.

PENNSYLVANIA

FRANK M. SPEARMAN
CONSULTING ACTUARY

ASSOCIATE
E. P. Higgins

THE BOURSE PHILADELPHIA

Harry S. Tressel & Associates

Consulting Actuaries
10 S. LaSalle St., Chicago 3, Illinois
Telephone FRanklin 2-4020

Harry S. Tressel, M.A.I.A.
M. Wolfman, F.S.A.
M. A. Moscovitch, A.S.A.
D. Sneed

W. P. Kelly
A. Selwood
M. Kazakoff
L. Miller

Give
to P

How
life in
financi
vividly
Mutual
LIAMA
Here is

My e
yours.
dawned
lems w
else's.

Probl
This is
one els
thing al

Finan
aside so
me so r
thing h

what ha
that ma
save mo
arrives

money.
would e
your de
be no o

So th
I tried
me from
would t
things.

• I get
I can't e
• I have
long en
money.

• I get
says if
you will
keep on
more. I

• I die.
quickly.
These
control a

ful, but
automob
• The la

come is
this to a
alive an
old, I pr

to earn a
So, con
going to
my futur

to be wh
a suit of
have to r
into agai

perform.

Let us
to my
which is

when I a
or when

The fir
dollars w
65 years

method—
that guar
will have

Second,
number o
will it pr

terest, or
will they
ing warti

bonds be
have mat
lower inte
Third, I
on my res
It is reas
will alway
annuity i

Gives Talk He Uses in Selling A&S, Life to Provide 'Complete Financial Security'

How an agent packages A&S and life insurance to provide "complete financial security" was illustrated vividly by R. Earl Denman, Pacific Mutual, Cincinnati, when he addressed LIAMA's A&S meeting in Chicago. Here is the gist of his talk:

My experience may be the same as yours. At one point in my life, it dawned on me that my financial problems were the same as everybody else's.

Problem No. 1 is to earn a living. This is my own problem, because no one else is interested in doing anything about it.

Financial problem No. 2 is to lay aside some money, as my mother told me so many years ago, in case something happens. I have found out now what happens. The thing that happens that makes it necessary for you to save money is that sometime the day arrives when you can no longer earn money. If you could be sure that you would earn money as long as you or your dependents need it, there would be no occasion to save any.

So the next logical step came when I tried to figure out what could keep me from earning money. Offhand one would think that there are a hundred things. Actually there are just five;

- I get sick. If I stay sick long enough, I can't earn any more money.
- I have an accident. If I am disabled long enough, I can't earn any more money.
- I get to that age when the doctor says if you let up and take it easy, you will last 15 years more. If you keep on grinding, you will last 3 years more. I give up earning—but quick.
- I die. That stops my earnings pretty quickly.

These four eventualities I do not control at all. Of course, I can be careful, but I can't drive the other man's automobile.

• The last thing that can stop my income is unemployment. I do control this to a very large extent. If I am alive and well enough, and not too old, I probably could get another job to earn a living.

So, comes the question now, if I am going to be as smart in providing for my future financial security as I try to be when I buy an automobile, or a suit of clothes, or a house, I will have to measure what I put my money into against the job it is supposed to perform.

Let us consider some of the hazards to my financial security program which is designed to take care of me when I am sick or hurt or old or dead, or when I lose my job.

The first question is: "How many dollars will I have when I get to be 65 years old?" I do not know of any method—other than life insurance—that guarantees how many dollars I will have when I get to be 65.

Second, assuming I have a good number of dollars, how much income will it produce? Will the rent, or interest, or dividends, be cut down—or will they be restricted as rent is during wartime, or will the interest on bonds be reduced because the bonds have matured and been replaced with lower interest-bearing bonds?

Third, how much tax will be paid on my rent, or interest, or dividends? It is reasonable to assume that these will always be more taxable than will annuity income, but for the reason

that annuity income is an entirely different kind of income.

Fourth, how many potatoes, loaves of bread, bottles of milk, or suits of clothes will my rent, interest or dividends buy? In these times, we hear a good deal about the reduced purchasing power of the dollar and that, therefore, annuity income is not a good buy. It seems to me, however, that there are three other hazards that everybody forgets about that come before the point that "my income will be reduced in purchasing power and thus will not buy so many potatoes, loaves of bread, bottles of milk or suits of clothes."

As we contemplate stocks, or real estate, or any other equity, we must realize that there is no guarantee of the number of dollars or the amount of income we will have at retirement age.

Frankly, I get a little tired of seeing how much money I would have today if I had bought a dollar's worth of Ford Motor stock 15 years ago. More

currently, I get a little tired of hearing about how much money I would have today if I had bought life insurance stocks only two or three years ago.

The presumption on the part of the salesman of such stocks always is that the future will perform as handsomely as did the past. What I am looking for is a stock to buy that is worth \$100 and that can be purchased at the 10-year-ago price of \$19. Unfortunately, no one wants to sell me one.

If we go into bonds, or building and loans, or banks, we discover that a conservative interest rate of maybe 3% will produce about 2% after taxes and therefore it requires some \$60,000 to produce an income of \$1,200 a year, net after taxes.

Let us suppose that our young man is 35 years of age. He needs to accumulate \$60,000 in the next 30 years. That means roughly \$2,000 per year saved for the next 30 years. It also means that he doesn't get sick and he doesn't have an accident during that time, which is a pretty big order.

Suppose, instead of doing that, he comes to us and deposits approximately \$700 a year—about one-third. We will guarantee him \$100 monthly an-

nuity income at age 65. We will guarantee him that the annuity income will begin at age 45 if he becomes disabled at that time—if he becomes sick or has an accident. In addition, we have the only method of saving money in the world that continues even though the depositor is disabled and cannot earn any more money. On top of that, if he dies before age 65, we will pay his heirs \$15,000 without any deduction for the money he collected for sickness or accident.

Mr. Denman concluded that "to sell just life insurance without accident and sickness protection also, is like ham without eggs." His recommendation: "Our business should sell the ability to be taken care of in any financial situation that may arise... and not just peddle a bunch of assorted policies. The market is there for complete financial security. Let's go get it!"

Stock Split 4-1, Not 2-1

The headline over an item in last week's issue reporting the Bankers National Life stock split incorrectly gave the split as two-for-one. The four-for-one figure given in the text was correct, as was the reduction in the par value from \$10 to \$2.

Do-It-Yourself Won't Work with Life Insurance

More and more leisure time and American ingenuity have combined to make "Do-It-Yourself" an industry of major proportions.

But it won't work with Life Insurance.

The advice and persuasion of a well-trained Agent are essential elements in our business so that Life Insurance, tailored to the individual, may perform its maximum services.



THE
NATIONAL LIFE
AND ACCIDENT
INSURANCE COMPANY
HOME OFFICE - NASHVILLE, TENNESSEE

THIS, TOO, IS A CATASTROPHE!

Too many folks today get so blinded by fear of major medical expenses that they overlook the devastating impact of prolonged disability on their incomes. This is a catastrophe, too.

Happily, it's protectable—with Occidental's C-32 policy providing income for the duration of totally disabling injury or sickness! (Non-house confining first two years for sickness.)

If, like many men today, your client has sick-leave pay or other resources to weather short-term disability, this C-32 policy can be real catastrophe disability income coverage.

A 90-day elimination (he waives income for any disability under 3 months) gives him nearly twice as much income for the same premium as 1st-day coverage!

This is "More Peace of Mind Per Premium Dollar".

"A Star in the West..." ☆



HOME OFFICE: Los Angeles
W. B. STANNARD, Vice President

You Can't Buy It—Anywhere!

Woodmen's modern plan of free treatment for tuberculosis in nationally recognized private hospitals in or near members' home cities is something you cannot buy anywhere—it is given free as one of the many "plus" benefits of Woodmen membership. At any price, there is no hospitalization policy which can match the benefits offered by Woodmen's free treatment plan.

It is just another way in which the Society takes care of its own. And just another reason why it's better than ever to be affiliated with Woodmen of the World.



World's Financially Strongest Fraternal Benefit Society

WOODMEN OF THE WORLD
LIFE INSURANCE SOCIETY
Home Office: 1708 Farnam Street
Omaha 2, Nebraska

Howard M. Lundgren, President
Max B. Hurt, Exec. Vice Pres.

J. R. Sims, Secretary
John N. Cochran, Treas.

Sales Ideas That Work

Close Corporations Have Many Uses for Business Life Insurance: Katz

Richard J. Katz, Massachusetts Mutual, Rochester, N. Y., spoke on "How to Effectively Use 'Locked-in' Corporation Dollars" at the Million Dollar Round Table convention aboard the Kungsholm. He told how business men who own close corporations can use business life insurance purchased with corporation funds to benefit the corporation, its key employees and their families.

This title poses the question: "How can we use dollars locked in the corporation's pocketbook to purchase insurance?" Business men who own closed corporations are in a position to take advantage of corporation dollars to solve personal, as well as business problems. Business life insurance purchased with corporation dollars can benefit the corporation, its key employees (including stockholders) and their families.

Let us consider some of the uses that can be made of business life insurance purchased with the corporation dollars altogether not necessarily in order of importance.

Business life insurance can provide tax-free cash to indemnify the corporation for the loss suffered upon the death of a key employee—whether or not he is a stockholder. Good old fashioned key man insurance to indemnify the corporation, because it is almost certain that the key man's death will jeopardize the profit making ability of the corporation, represents business life insurance in its simplest and most fundamental form. Its benefits can be dramatized by using business terms that are familiar to the business executive. For example, assuming a net profit of 5% before income taxes, enables us to say to the prospect, "A \$50,000 policy on your important executive who dies may give your company the equivalent of more than \$1,000,000 in gross sales, and also return to the corporation every dollar paid for the insurance."

"This same insurance policy that provides such generous death benefits also has living advantages, for it enables the corporation to build up, through the medium of cash values and dividend accumulations, a segregated reserve that can minimize possible government contention of unreasonable accumulation of surplus dollars."

"Old fashioned key man insurance, if written on a permanent plan, can be a double edged sword in providing living, as well as death benefits. It can provide the funds on a favorable tax basis for 101 specific uses. Mr. Stockholder, your executive, if he remains in your employ, will either live to retirement or die prematurely. This same policy that will provide immediate non-taxable indemnification will also build a reserve usually equal to, or in excess of, all premium deposits that will enable you to provide him with a retirement pension when he has fulfilled his life work, and has earned the right to take it easy. It can supplement your formal pension or profit sharing plan."

"Mr. Stockholder, actually this program has a third edge. it takes into

consideration the other hazard that I neglected to mention. Your executive will either die or live to retirement, OR he may become permanently disabled. Many companies that write disability income will permit a corporate applicant to obtain a supplementary monthly disability benefit. The Massachusetts Mutual has a unique disability benefit providing up to \$400 a month of non-taxable disability income. Hence, if Mr. Important Executive becomes disabled during his productive years, the company collects tax-free \$400 per month. In turn you can pay out up to \$400 a month to your disabled executive, and it would not be considered taxable income to him. With this liberal disability benefit, your company is in a position to pay a larger salary to the disabled executive. Let me give you an example: \$1,000 a month salary paid by your corporation, which is in a 52% tax bracket, represents an actual net cost of \$480. With the disability benefit, this would be offset by the \$400 that you receive tax-free from the insurance company. Hence, your net cost to continue \$1,000 a month salary is but \$80. Mr. Disabled Executive also has a tax advantage, and he will have to report and pay tax only on \$600 of the \$1,000 he receives.

"Now in addition, the insurance company would waive the annual premium but still credit your segregated reserve with the full increase in cash value and dividends. This \$2,000 premium that you will not have to pay could be diverted to many other uses, such as additional compensation to the disabled executive, or increases in salary to his subordinates who will have to carry a heavier load if the profit making ability of your corporation is to be disturbed as little as possible."

Let us consider deferred compensation on a contractual, and not a voluntary basis. Deferred compensation properly funded with corporation insurance can provide a substantial death benefit for the family of the key employee under an arrangement which will return the full cost of the program to the corporation. Business executives, like everyone else, have been badly pinched by the great increase in taxes

INSURANCE STOCK SPECIALISTS

Wood, Struthers & Co., Inc.
Established 1905

J. William Middendorf
30 Wall St., New York 5, N. Y.
Telephone - WHitehall 3-7474

MANAGEMENT CONSULTANTS

BOWLES, ANDREWS & TOWNE
ACTUARIES
Insurance Company
Management Consultants
RICHMOND ATLANTA NEW YORK

August
and the
have fo
things t
quires,
impossi
amount
tection
What
vide the
needs a
continua
swer, fo
corporat
that mea
valuable
managem
values o
easily su
through
surplus
insurance,
ance of
locked-in
Deferr
necessari
death be
serve, w
control o
tirement
for the ke
a lower c
fits unde
plan. I d
dividual
ments ar
qualified
offer an
solution
of those c
pension
an adequ
With so
interest
lar plan,
calling th
I sincere

and the mounting cost of living. They have found it difficult to have the things that their standard of living requires, and they are finding it almost impossible to carry an adequate amount of life insurance for the protection of their loved ones.

What can the corporation do to provide the protection that the executive needs at a reasonable cost. A salary continuance plan is frequently the answer, for it frequently will enable the corporation to conclude that through that means it has been able to hold a valuable executive to his job. When management can be shown the true values of salary continuance, and how easily such a program can be financed through the transfer of cash from surplus to the cash value of life insurance, it virtually assures acceptance of this most important use of locked-in corporation dollars.

Deferred compensation does not necessarily have to be confined to death benefits, for the segregated reserve, which is under the complete control of the corporation, can at retirement be used to provide income for the key employee, and frequently at a lower cost than the equivalent benefits under a qualified compensation plan. I do not wish to imply that individual deferred compensation agreements are a substitute for the sale of qualified pension plans, but it does offer an opportunity for a practical solution for the retirement problems of those corporations where a qualified pension plan does not appear to offer an adequate solution.

With so much publicity and apparent interest being given to the split dollar plan, which, incidentally, I prefer calling the executive cooperative plan, I sincerely believe that there are many

situations where the deferred compensation plan is superior. A notable exception might be the executive employee who is a large and important stockholder, or among executives in a family type corporation. In most situations where there is a true employee-employer relationship there are many advantages to be found in the deferred compensation plan versus the split dollar plan.

In discussing the pros and cons of each plan, we must bear in mind that the common denominator is "insurance protection." Under deferred compensation, the corporation, which in the last analysis must make the decision, receives the insurance proceeds (net protection) as tax-free funds. Because of the deduction when funds under deferred compensation are paid out, the corporation could, in most instances, provide larger death benefits to the executive's family than would be possible under the split dollar arrangement. Greater control by the corporation, and other advantages, usually enables the corporation to reach the conclusion that they would rather pay the entire premium, which includes the small cost of protection, than to involve themselves in a split premium arrangement. Under the so-called split dollar plan it is necessary to sell both employer and employee, while under the deferred compensation plan after the employer agrees I have never yet known of an employee who would not enthusiastically go along with the arrangement.

In view of the fact that we now have an exception to the transfer-for-value rule, if the transfer is to a corporation in which the insured is a stockholder or officer, as introduced by the 1954 code, I believe serious consideration

should be given to the sale of personal insurance policies to the insured's corporation in view of the fact that there is no longer any tax consequence. This is an effective way that a corporate owner can withdraw locked-up corporation dollars for personal use. Frequently, executives are faced with heavy expenses, such as education of children, or the acquisition of other business interests, that they are unable to meet with personal funds, or from net salaries. This transfer not only makes non-taxable cash available, but frequently relieves them of burdensome premiums, or will enable them to acquire the insurance outside of their taxable estates by third party ownership, such as their wives or children.

In discussing the various advantages of using corporation dollars to buy life insurance, it must be remembered that the uses of the insurance are many and varied. Some of these uses have already been discussed, and others, including stock redemption, both partial and complete, I am sure will be in the informal part of this session. I do, however, wish to emphasize that in addition to the use of the life insurance protection, it must be remembered at all times that the living benefits of life insurance can be as important to the corporation as they are to the individual. The corporation can purchase business life insurance by shifting assets with the corporate structure. In this way it uses the money that would otherwise be locked in the corporation's pocketbook, and it would not be available to the stockholder unless he and the corporation are willing to have it subjected to the double taxation accorded dividends.

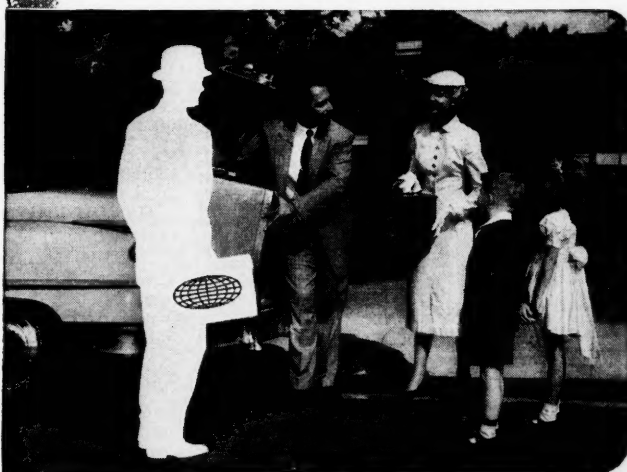
Assets transferred within the corporation and held in the life insurance

cash values represent a segregated and guaranteed source of credit that is always available when additional working capital is needed. Therefore, the corporate owner can have the advantages of available surplus without the disadvantages of substantial cash surpluses that are so frequently vulnerable to government attack as unreasonable accumulation of surplus.

The question: "Are premiums deductible as a business expense," is a question which, if asked by the prospective buyer, becomes an objection. I strongly believe that this question should be raised by the underwriter, and then properly explained, thereby removing a serious objection, which frequently can become an issue.

Assets transferred within the corporation in no way create a tax problem nor constitute an expense. The majority portion of these premiums represents a transfer of assets from cash to cash value of life insurance, and does not constitute an expense to the corporation. Therefore, that portion of the premium represented by equity could no more be considered a deductible expense than could a similar amount of cash used to purchase government bonds. The cost of protection, or the actual expense of the insurance, usually confined only to the early years, would be the only portion of the premium that could be deductible as a business expense. However, I am glad to tell you that under current law even this small cost is not deductible as an expense, and we can be glad that this is the case, because the important thing to bear in mind from a tax standpoint is the favorable advantage that upon death the entire proceeds of the policy are payable to the corporation absolutely free from income tax liability.

INTER-OCEAN IS IN THIS PICTURE



In the annals of insurance there are few parallels that match the growth of accident coverage for travel risks. Since the first travel accident policy was issued in 1864, travel insurance has become one of the major forms of protection.

In this as in all other coverages, Inter-Ocean is very much in the picture. Accident policies that provide indemnities and benefits for accidental injuries, death or dismemberment have long been included in the complete line of personal protection available to Inter-Ocean policy holders. At present, some 215,000 auto club members are insured by Inter-Ocean in this manner . . . another illustration of Inter-Ocean's place in the Insurance picture.

PERSONAL PROTECTION SINCE 1903
COMMERCIAL • WEEKLY PREMIUM
ORDINARY • GROUP



INTER-OCEAN
INSURANCE COMPANY
CINCINNATI 2, OHIO

EDITORIAL COMMENT

Monthly Payments: A Useful Opiate

Anyone who doubts the strength of the stranglehold that the monthly payment habit has on the American public should study the article on this subject in the May *Fortune* magazine or the condensation of it that appears in the August *Reader's Digest* under the title "The Opiate of Monthly Payments."

If any further support were needed for expanding and developing simple and practical and inexpensive ways of popularizing monthly payments of life insurance premiums, the *Fortune* article supplies it. The article also helps explain why life insurance as a thrift measure lacks the appeal that it had a generation ago. Why save for a rainy day? When the rains come, all you have to do is go to a finance company or the personal loan department of a bank and get fixed up with a liberal loan that can be paid back in umpteen "easy" installments.

For many young people, prosperity has raged unchecked for as long as they can remember. Saving up for a rainy day or for an important purchase seems on a par with living in a cave to save rent. Emergencies that their fathers and mothers met by means of policy loans can be met by borrowing from a finance company, can't they? We only hope that these light-hearted spendthrifts have the spiritual toughness to be as light-hearted when they find that the same recession that puts the squeeze on them has also put the squeeze on the funds that today are so enticingly offered to potential borrowers.

We'd like to see a more provident attitude developing among the millions who cheerfully load themselves with time payments with scant regard to how much extra they're paying in interest and "incidental" charges. But since this is something bigger than the life insurance business or any other business, wouldn't it be better for life insurance to roll with the punch and try harder to get people to pay for their life insurance on the monthly payment basis if they won't buy it any other way?

Life companies, it seems to us, have this choice: They can point to the folly of overdoing the monthly payment craze and insist on having as little to do with it as they can. Or they can, while still deploring it, face the facts and make as much use as they can of the relative painlessness of the monthly payment habit to sell more life insurance.

"It's so easy to pay for" may have much more sales appeal than trying to convince a prospect how tough things would be should he face retirement or a financial emergency with an insufficient backlog; or how badly off his family would be if he were to die with insufficient insurance.

Keeping the monthly basis cost as close as possible a twelfth of the annual premium is of course desirable. But apparently it makes little difference to the buyer. The *Fortune* article points out that today's younger buyers show "colossal indifference" to the rate of interest charged on their borrowings and installment purchases. They completely fail to understand that a 6% a year rate on a loan that is being amortized is about 12% a year for the time the borrower actually has the use of the money.

Granted that the preference for putting themselves under the compulsion of making regular payments to a bank or finance company, rather than building up a savings account to finance purchases, indicates a deplorable

weakness of character, yet it ties in well with the compulsion that most people feel to meet life insurance premium payments, especially if made extra easy by being on a monthly basis. And if practically all that the insurance buyer has to do is to authorize a monthly outflow from his bank account (or employer's payroll department) to the life company, the sales appeal is still further enhanced.

Admittedly, it's exasperating to see young people, who should be trying to exercise financial foresight, blithely assuming that the income they're getting will always be there in sufficient quantity to meet the commitments they're in hock for. But it isn't going to help the many for life companies to refuse to make use of the monthly installment appeal power.

Because if the life companies don't go after these dollars that are available on the monthly basis—and probably no other way—it will only mean that these young people who ought to be providing for their old age, for their dependents, and for possible disability will spend that much more of their incomes on bigger cars, bigger TV sets, bigger houses, more clothes, all of which are poor seconds to life and disability insurance as essentials of financial security.

Results for First Six Months Given

	1956	1955	1956	1955
	New Life	New Life	In Force	In Force
	Ins. Bus.	Ins. Bus.	Inc.	Inc.
	\$	\$	\$	\$
Acacia Mutual Life	78,664,742	76,964,318	38,215,063	38,850,012
American Mutual Life of Iowa	17,351,074	13,935,883	8,733,200	5,006,941
Bankers Life of Nebraska	36,125,306	33,165,576	19,252,019	17,277,402
Bankers National Life	51,861,908	24,296,378	39,171,416	13,176,321
Beneficial Life	29,973,767	27,962,336	14,845,787	13,740,403
California-Western States Life	67,672,990	70,348,774	45,278,930	85,300,413
Columbian National Life	26,328,076	21,406,998	7,002,639	10,477,300
Confederation Life	94,878,166	85,956,095	77,599,505	51,320,183
Connecticut Mutual Life	216,431,354	202,369,431	142,988,972	129,267,149
Continental Assurance	253,761,384	202,440,224	232,488,377	243,070,540
Equitable of Washington, D. C.	15,387,612	12,497,602	6,670,162	4,177,000
Excelsior Life of Canada	27,472,657	24,956,391	16,783,041	15,059,201
Federal Life of Illinois	12,195,477	24,520,397	16,102,837	16,499,192
General American Life	109,168,263	109,835,101	59,884,539	115,645,773
Great-West Life	235,194,014	144,973,976	186,843,859	88,335,213
Guardian Life	85,353,000	73,910,000	43,730,000	39,495,000
Industrial Life	52,703,509	44,600,194	36,055,965	29,338,381
Knights Life	17,046,029	15,232,282	9,299,643	8,788,696
Liberty Life	79,924,142	79,767,730	47,061,997	29,994,276
Life of Virginia	89,551,963	88,208,210	42,266,635	73,071,744
Lincoln National Life	630,178,794	497,562,807	326,241,567	280,797,965
Minnesota Mutual Life	113,737,002	137,207,715	66,754,357	90,105,005
Monarch Life (Mass.)	38,676,432	29,617,785	21,780,476	16,100,925
Mutual Life of Canada	99,341,971	93,532,425	79,484,576	62,798,460
National Life and Accident	453,158,371	463,580,301	133,450,764	152,490,110
New York Life	942,824,000	874,595,000	715,000,000	663,000,000
North American L & C	75,591,703	56,355,762	525,073,163	431,700,533
North American Life of Toronto	72,894,558	71,379,821	55,687,562	54,037,444
Occidental Life of California	540,634,591	552,899,732	320,710,938	365,888,847
Pacific Mutual Life	195,907,340	200,175,007	112,884,532	148,793,000
Paul Revere Life	67,350,433	59,130,829	40,537,891	41,770,938
Peninsula Life	10,981,659	9,127,600	4,481,938	3,498,619
Peoples Life of Washington, D. C.	27,664,434	18,042,583	17,292,412	10,504,700
Provident L & A	144,644,857	121,139,650	134,144,198	115,388,990
Reliable Life	6,625,845	5,330,201	3,730,996	3,103,171
Republic National Life	189,735,616	153,666,611	114,926,940	103,357,429
Savings Bank Life of Massachusetts	19,217,767	18,772,349	15,016,316	17,010,185
Security Life & Accident	39,322,083	51,501,517	26,946,477	32,884,531
Southland Life	86,221,481	90,944,615	36,898,346	45,003,334
Southwestern Life	90,435,355	67,942,907	64,546,593	74,153,124
State Farm Life	99,951,603	97,284,060	59,033,173	54,921,185
Texas Prudential	17,114,309	14,653,214	6,743,856	6,128,796
Union Mutual Life	65,912,687	51,367,192	53,511,624	8,592,759
United Benefit Life	95,988,018	87,674,435	86,674,435	68,715,346
Volunteer State Life	29,068,463	56,267,553	20,771,399	49,070,173
In addition, revivals and increases amounted to	\$2,386,003	\$6,533,941	\$4,948,518	\$657,186
	\$4,305,790	\$23,135,530		

PERSONALS

Eugene F. Murphy, senior procedures analyst-field management, and Robert D. Acker, research supervisor of the electronic installations division, both of Metropolitan Life, and Glenn O. Head, vice-president and actuary of U. S. Life, will serve as instructors for evening courses in machine accounting and electronic data processing during the autumn semester at the management institute of New York university's division of general education.

The spacious ranch home of James A. Hand, Franklin Life vice-president and manager of agencies, was featured in a recent issue of *Illinois State Register*, the Springfield evening newspaper.

Charles B. Lunsford, controller of Equitable Society, is chairman of the arrangements committee for the 25th annual national conference of Controllers Institute of America Sept. 30-Oct. 3 at Waldorf-Astoria hotel, New York City.

William C. Safford, vice-president of Western & Southern Life, was married to Miss Frances M. Fobiano of Cincinnati at Charlottesville, Va.

Horace W. Brower, president of Occidental Life of California, has been elected chairman of the executive committee of the Los Angeles chapter of National Foundation for Infantile Paralysis.

John Barker Jr., vice-president and general counsel of New England Life, and Mrs. Barker have just become the parents of a son, John Cleave Barker, their first child. The baby is a grandson of John Barker Sr., retired vice-president of Berkshire Life.

DEATHS

CHARLES W. HELSER, 79, former president of West Coast Life, died following a heart attack suffered while visiting the offices of the J. Henry Helser Co. at Corvallis, Ore. Mr. Helser was comptroller of the latter firm.

MYRON E. WILLIAMS, 49, district manager for Union Central Life at Columbus, O., died there of a heart ailment.

GEORGE W. HUBBELL, 90., who retired as vice-president of United States Life in 1939, died. He joined the company in 1888 and had the longest service record of any employee in the history of the company.

THE NATIONAL UNDERWRITER

Life Insurance Edition
EDITORIAL OFFICE:
99 John St., New York 38, N. Y.
Executive Editor: Robert B. Mitchell.
Assistant Editors: John B. Lawrence, Jr. and Eloise West.

ATLANTA 3, GA.—433 Hurt Bldg., Tel. Murray 8-1634. Fred Baker, Southeastern Manager.

BOSTON 11, MASS.—207 Essex St., Rm. 421, Tel. Liberty 2-1402. Roy H. Lang, New England Manager.

CHICAGO 4, ILL.—175 W. Jackson Blvd., Tel. Wabash 2-2704. O. E. Schwartz, Chicago Mgr. R. J. Wirthaus, Resident Manager.

CHICAGO EDITORIAL OFFICE:
175 W. Jackson Blvd., Chicago 4, Ill.
Associate Editors: Charles C. Clarke and John C. Burridge.
Assistant Editors: Richard J. Donahue and Charles L. Manning.
Copy Editor: William L. Flannerty.

CINCINNATI 2, OHIO—420 E. Fourth Street, Tel. Parkway 1-2140. Chas. P. Woods, Sales Director; George C. Roeding, Associate Manager; George E. Wohlgemuth, News Editor; Roy Rosenquist, Statistician.

DALLAS 1, TEXAS—708 Employers Insurance Bldg., Tel. Prospect 1127. Alfred E. Cadis, Southwestern Manager.

DETROIT 26, MICH.—503 Lafayette Bldg., Tel. Woodward 1-1644. A. J. Edwards, Manager for Indiana and Michigan.

ADVERTISING OFFICE:
175 W. Jackson Blvd., Chicago 4, Ill.
Telephone Wabash 2-2704.
Advertising Manager: Raymond J. O'Brien.
SUBSCRIPTION OFFICE:
420 E. Fourth St., Cincinnati 2, Ohio.
Telephone Parkway 1-2140.

KANSAS CITY 6, MO.—605 Columbia Bank Bldg., Tel. Victor 2-9157. William J. Gessing, Resident Manager.

MINNEAPOLIS 2, MINN.—1038 Northwestern Bank Bldg., Tel. Main 5417. Howard J. Meyer, Northwestern Manager.

NEW YORK 38, N. Y.—99 John Street, Room 1103, Tel. Beekman 3-3958. J. T. Curtin and Clarence W. Hammel, New York Managers.
NEWARK 2, N. J.—10 Commerce Ct., Tel. Mitchell 2-1306. John F. McCormick, Resident Manager.

OFFICERS:
Howard J. Burridge, President.
Louis H. Martin, Vice-President.
Joseph H. Head, Secretary.
John Z. Herschede, Treasurer.
420 E. Fourth St., Cincinnati 2, Ohio.
Telephone Parkway 1-2140.

OMAHA 2, NEBR.—610 Keeline Bldg., Tel. Atlantic 3416. Fred L. White, Resident Manager.

PHILADELPHIA 9, PA.—1027 S. Broad St., Room 1127, Tel. Pennypacker 5-3706. Robert I. Zoll, Middle Atlantic Manager.

SAN FRANCISCO 4, CAL.—Flatiron Bldg., Tel. Market St., Tel. Exbrook 2-3054. A. J. Wheeler, Pacific Coast Manager.

RECORDS

was appointed actuary in 1906, secretary in 1922 and vice-president in 1922. He was a charter member of Actuarial Society of America and at the time of his death was the earliest enrolled (1893) living member of the society.

ROBERT A. COLE, 73, chairman of Metropolitan Mutual Assurance, died of a coronary ailment at Wesley Memorial hospital, Chicago. Mr. Cole was the son of a Tennessee cotton farmer who had been a slave. He went to Chicago in 1905 and worked as a busboy, handyman, dishwasher and porter until 1927, when he founded Metropolitan Funeral System, a burial society to provide funerals for Negroes. He later founded Metropolitan Mutual and operated it as a burial society until 1946, when it was reorganized as a mutual legal reserve company. He was president until he became chairman a few years ago. Mr. Cole's success story has been written up in Chicago papers and several prominent Negro publications.

EMMETT F. GRAAF, 64, of the Minneapolis agency of Connecticut General Life, died there. He was a life member of the company's presidents club and a member of the Life Leaders of Minneapolis Life Underwrites Assn.

Indiana Blue Plans to Buy 9-Story Building

Indiana Blue Cross-Blue Shield have purchased the nine-story Traction Terminal building in Indianapolis. Purchasing price of the transaction, which included the Terminal building and two smaller nearby buildings, plus the land, was not announced, but the *Indianapolis Star* described it as "one of the largest real estate deals in downtown Indianapolis in many years."

In Indiana, the Blue plans are issued by Mutual Hospital Insurance Inc. and Mutual Medical Insurance Inc., the actual names of the buyers. The Traction Terminal building, already half-occupied by Mutual Hospital and Mutual Medical on a rental basis, will serve as the plans' home office.

The two organizations, which have been under fire recently for their refusal to pay the state's gross income tax, assessed on other domestic insurers, enjoyed a 1955 surplus gain of \$3,400,000.

According to reports, state revenue commissioner, Frank Millis, questions the non-profit status of the companies.

MUTUAL BENEFIT LIFE—Twenty-five new agents who were graduated from a 2-week career school in March, have sold \$4,376,000, excluding term, a record for new men. A \$4 million goal was set for the 16 weeks required to put up the steel framework of the new 20-story home office in Newark. The agents were called "Mil Vieser Iron Workers" in honor of Milford A. Vieser, financial vice-president, who is in charge of the construction program.

GREAT-WEST LIFE had a record breaking \$271 million in new sales for the first six months of 1956—an increase of 58% over the same period last year. Total life insurance and annuities in force increased by \$231 million to \$3,196,900,000 by mid year and assets rose by \$17 million to \$573 million. Total income was more than \$52 million. Ordinary and group sales rose 62% while ordinary and group annuities were up by 37%. Total group business in force increased to \$1,169,000,000, a gain of \$146,800,000. At the same time group and personal A&S sales increased by 16% and premium income from the sale of A&S was running at an annual rate of \$19 million.

PAN-AMERICAN LIFE—Paid-for ordinary was up 25% in the first six months, while insurance in force rose 14% to \$850 million total. Assets exceeded \$181 million.

JEFFERSON STANDARD LIFE—Life sales in the first six months totaled a record \$110,104,972, up 8%, for a net gain of \$66,186,527. Life in force was \$1,517,630,574. The board has voted a quarterly dividend of 25 cents a share, payable Aug. 3 to stockholders of record July 30.

COMMONWEALTH LIFE—New life sales of \$107,639,705 for the first six months of this year exceeded any six-month record of sales in the company's 51-year history. Commonwealth had \$948,108,636 in force as of June 30.

OLD REPUBLIC LIFE—Insurance written during the first six months of this year rose to a record \$1,072,723,382, up almost a quarter billion over the same period last year, during which \$831,825,459 was written. The Chicago company specializes in credit life.

GENERAL AMERICAN LIFE wrote more life insurance during the month of June than in any other month in the company's history, with written production 42.7% over insurance written during the same period in 1955. Ordinary life paid, for the first six months, was 47.27% more than the

first half of 1955, paid volume was 42.71% better and A&S sales were up 35.27%. Stepped up recruiting resulted in an increase of 22.34% in the number of agents appointed during the first six months as compared with the same period last year. A key factor in the company's sales performance for the period was its June contest, titled "Get Out the Vote."

PACIFIC MUTUAL LIFE set a new all-time record for a single 30 day period with more than \$26 million of ordinary life insurance written during the period June 16-July 14, as well as 199 new individual group insurance policies covering nearly 9,000 people, and 966 applications for railroad insurance. Each was the biggest single month's gain in the company's history. The one-month sales drive honored the 20th anniversary of Pacific Mutual's chairman, Asa V. Call. Key sales personnel from five leading general agencies and two group insurance offices flew to Los Angeles to participate in presenting Mr. Call with a plaque commemorating the achievement.

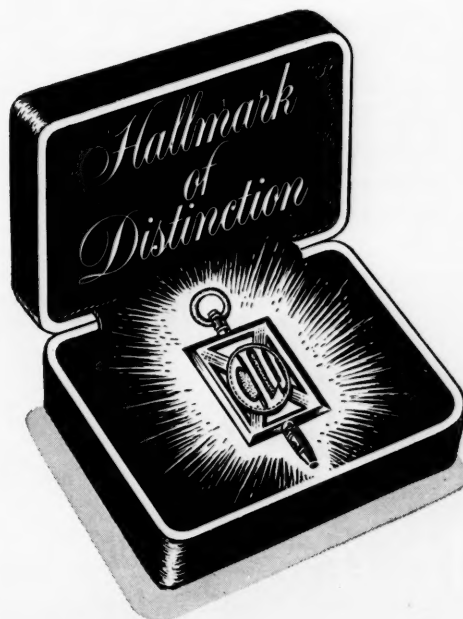
MASSACHUSETTS MUTUAL—Ordinary sales in the first half totaled a record \$334,590,000, up 14%, and group life sales were \$51,310,000. Or-

dinary in force rose to \$4,355,020,000 and group reached \$796,337,000. Ordinary policies averaged \$10,854, up \$500. New records were set in each of the six months and a new mark for a single month was set in January. Increases were led by Yates-Woods in Los Angeles with \$21 million. The company collected \$91 million in premiums and paid \$76 million to policyholders and beneficiaries. Death claims totaling \$16,830,900 were paid on 2,300 lives. Ledger assets rose \$53,167,000. New investments totaled \$169,715,000 for an average gross yield of 4.51%.

OHIO STATE LIFE—Production for the first half of 1956 was a record of \$27,996,565, an increase of \$8,146,622, or 41% over the first half of 1955. Insurance in force climbed to \$328,764,107, a six month gain of \$19,069,470, representing an increase of 77% over the same period in 1955.

Nine company agencies exceeded their six month quotas, led by the Siefert agency at Marion, O., with 71%.

PRUDENTIAL—Benefit payments in the first half totaled a record \$520,895,000, up \$53.5 million. They included all types of claims, dividends, annuities and other benefits.



Attainment of the Chartered Life Underwriter designation is a hallmark of truly informed insurance counselor service. And so it is that we of the Equitable Life Insurance Company of Iowa are proud to number 54 Chartered Life Underwriters among our field and home office associates.

We contribute wholeheartedly to the Cooperative Fund and include CLU studies as an integral part of our training program. It is with real pleasure that we present engraved CLU keys to graduating candidates and pay their expenses to attend conferment exercises.



Equitable
LIFE INSURANCE COMPANY OF IOWA

FOUNDED IN 1867 IN DES MOINES

COMPLETE COVERAGE ALL UNDER ONE ROOF!

- | | |
|----------------------------|--|
| LIFE | ACCIDENT & SICKNESS |
| • Par and Non Par | • Complete Line, Including Major Medical |
| • Up to 500% Substandard | • Commercial |
| • Featuring Flexible Plans | • Non-Cancellable and Guaranteed Renewable |

MASS COVERAGES

- Pension Trust
- Group Life and Accident and Sickness

One of the nation's fastest growing companies, with competitive rates, top commissions and prompt underwriting.

UNPARALLELED AGENCY FRANCHISES OFFERED:

CONTACT JOHN R. RAY, AGENCY VICE PRESIDENT

JEFFERSON NATIONAL

Life Insurance Company



INDIANAPOLIS
INDIANA

COMPANY & AGENCY CHANGES

General American Life

Winburne M. Paris has been named vice-president and will supervise the company's group division. He was formerly divisional group manager for Canada of Metropolitan Life. Mr. Paris succeeds Emil E. Brill, who has been elected senior vice-president and will serve as an advisor to the president. Mr. Paris joined the company in 1939, was later named assistant



W. M. Paris

sales vice-president of the group division and in 1943 was named group supervisor in the Dallas-Fort Worth area. He joined Metropolitan in 1946 and held several positions before his appointment in 1955 as group manager in Canada.

Eldon W. Eberhard, formerly a supervisor at Sioux City for Bankers Life of Iowa, has been named to head a new General American agency there. The Sioux City agency will be the fourth for General American in Iowa. Others are at Des Moines, Mason City and Cedar Rapids.

Occidental Life of California

Frank V. Stoltze, acting regional group manager at Los Angeles, has been named to that post permanently. Richard C. Mitchell has been promoted from group sales representative at San Francisco to assistant regional group manager. Louis Mey Jr. has been promoted from group sales representative

at New Orleans to assistant regional group manager there. William M. Dunlap, group service manager at Chicago, has been transferred to the sales office there and named assistant regional group manager. John T. Walsh succeeds Mr. Dunlap. Mr. Stoltze joined Occidental at Kansas City in 1950, later that year reactivated the company's St. Louis branch and was assigned to Los Angeles in 1952.

Ralph E. Milliken has joined the company as a general agent in McAllen, Tex. He entered the business with Southwestern Bankers Life in 1953 as regional manager at Victoria, Tex., and later was with American Investors Life.

Prudential

Robert J. Carlson has been appointed manager of the St. Paul Eastview district. He formerly was field training manager at the Chicago regional home office. Robert O. Young, Harry G. Slater and Walter J. Kane have been promoted to staff managers at Minot, N. D.; Jackson, Mich.; and Dubuque, Ia., respectively. Mr. Young joined Prudential in 1954 at Fergus Falls, Minn. Mr. Slater joined the company in 1952 at South Bend, and Mr. Kane started with the company in Cedar Rapids in 1952.

Henry M. Kennedy has been promoted to the newly created post of executive director of public relations and advertising, and Henry E. Arnsdorf has been named associate director of the department.

Mr. Kennedy, with the company since 1932, has been director of advertising and publications since 1946. He is a director of Assn. of National Advertisers, vice-president of Life Insurance Advertisers Assn. and a CLU. Mr.

Arnsdorf, who has headed public relations and advertising at the Minneapolis home office, is returning to Newark where he was located for several years before his transfer in 1953.

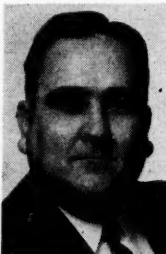
Barton S. Pauley has been promoted to director of ordinary underwriting. He joined the company as assistant director of ordinary underwriting in 1950 and has been associate vice-president and actuary of the former Great Northern Life in Chicago. He is a fellow of Society of Actuaries. His father is C. O. Pauley, who has retired as consultant of A&H Underwriters Conference and was secretary of Great Northern from 1922 to 1949.

William L. Muncaster has been promoted from manager of the Austin district to director of district agencies in the newly-created district which includes Louisiana and Arkansas and Houston and Beaumont, Tex. Mr. Muncaster joined Prudential as an agent in 1940 at Kansas City, was named staff manager at Beaumont in 1947 and manager of the Austin district in 1952. Walter J. Emmert Jr. has been promoted to manager to succeed Mr. Muncaster.

John J. Waters Jr. has been appointed manager of the Roseville district office in Newark. He succeeds William M. Rachel, recently named manager of the Paterson, N. J., district. Mr. Waters has been training consultant in the New Jersey region since 1954. He joined Prudential in 1948 at Paterson. He is a CLU.

Atlantic Life

George B. Montgomery has been appointed general agent at Houston. He entered the business as an independent broker agent in 1946 and was agency vice-president of National Founders Life last year. He is a former chairman of Texas Leaders Round Table.



G. P. Montgomery

Jack G. Oliver has been named assistant manager at Norfolk. He entered the business with New York Life in 1952.

United Benefit Life

Edward Lang has been named regional manager for the Pacific southwest group division, with headquarters at Los Angeles. He has been in the group field since 1947.

North American Life

William F. Mudge, agency manager at Champaign, Ill., has retired and has been succeeded by Albert O. Karlstrom, who joined the company in 1950. Mr. Mudge, who will continue in personal production, was honored at a luncheon in Urbana and was presented an inscribed watch by Paul McNamara, board chairman.

SUNSET LIFE—Robert G. Engel has been appointed agency vice-president. He began his career with Equitable Society in 1930, was appointed head of group sales and service in the northwestern states in 1937 and assistant northwest agency manager in 1945. He joined Northwestern Life in 1951 as agency vice-president and went to Bankers Life of Iowa in 1953 as western Washington agency manager. Mr. Engel is a CLU and president of Seattle Life Underwriters Assn.

EQUITABLE LIFE OF IOWA—L. M. McClusky has been appointed field supervisor. He joined the Davenport, Ia., agency of the company in 1946 and in 1952 was named general agent at Eau Claire, Wis.

Union Central Life

The company has established a second general agency at Atlanta and named William M. Daniel as manager. The new agency is at 1269 Spring street, N. W. Mr. Daniel began with the company as an office boy in 1939 at the Atlanta agency. After military service he became an agent there in 1945.



W. M. Daniel

Other appointments include C. William Toon and James G. Rust who have been named assistant managers at Cincinnati. Mr. Toon, formerly manager at Charleston, W. Va., began with the company as a cashier at Louisville. Then, successively, he was cashier at San Francisco, assistant manager at San Francisco, office manager at Atlanta and manager at Charleston. Mr. Rust has been supervisor of sales training at the Cincinnati agency.

Massachusetts Mutual

Bert Mount has retired as a vice-president. Except for World War I service, he has been with the company since joining it in 1912 at Kansas City, serving also at Chicago, Oklahoma City, Louisville, and Cleveland before going to the home office in 1933 as superintendent of loans. He has been in charge of mortgage operations since 1933.

Connecticut General

Henry W. Sachwell, group pension representative in New York City, has been named district group pension supervisor in Baltimore. Norman S. Ashworth and John A. Linton, both on the home office group pension sales staff, have been named group pension representatives at New York City and Detroit, respectively.

Guardian Life

New agencies have been opened at 95 Monmouth street, Red Bank, N. J., managed by George A. Hollywood, and at 606 Bloomfield avenue, Bloomfield, N. J., managed by W. R. Huntington, III. Mr. Hollywood entered insurance in 1942. He is 2nd vice-president of the Red Bank Kiwanis Club. Mr. Huntington entered insurance in 1946 and has served as vice-president of the Newark CLU chapter.

Pacific Mutual Life

Edward K. Hopper has been named general agent at Santa Barbara, Cal. He was formerly with Washington National there.

PENN MUTUAL—Robert D. Wendell becomes general agent at Richmond, succeeding Thomas H. Fellows, resigned. Mr. Wendell has served as trustee and membership chairman of the Columbus Life Underwriters Assn. and as treasurer of the Columbus Junior Chamber of Commerce.

PROVIDENT LIFE OF NORTH DAKOTA—Carl A. Leaf has been named northwest regional superintendent of agencies with headquarters at Portland, Ore. Before joining Provident, he was regional manager for Reserve Life of Texas at Seattle and vice-president of U. S. Life at Manila, Philippines. He began his career with Provident Mutual in 1938.

PAUL REVERE—John M. Sutherland Jr. has been named associate actuary of Paul Revere and Massachusetts Protective. He is a fellow of Society of Actuaries and a member of

EXCLUSIVE
USE OF
Mr. 4%

the Big Plus—

for
Jefferson
Standard
agents

A registered trade mark, Mr. 4%, is Jefferson Standard's alone. No one else can use it. In newspaper advertising, Mr. 4% attracts attention, stirs up interest, prompts questions and stimulates comparison. Mr. 4% is a symbol of the highest rate of interest paid by any major life insurance company on dividends and policy proceeds left on deposit to provide income. Mr. 4% is another BIG PLUS enjoyed only by Jefferson Standard agents.

Jefferson Standard
LIFE INSURANCE COMPANY
Home Office: Greensboro, N.C.

the Boston and Hartford Actuarial clubs. He joined the companies in 1947. W. Duane Kidwell and Frank J. Gagliuso were named assistant actuaries. Both are associates of Society of Actuaries.

Colonial Life

Gerald W. McEwen becomes general agent at Union, N. J., succeeding Edward J. Hilbert, who will devote all his time to his personal clientele. Mr. McEwen has been in the life insurance business since 1950 and has been in the Colonial's home office general agency department since February, 1955. He has conducted classes in life insurance selling and has lectured on business insurance.



Gerald W. McEwen

Mutual Trust Life

Charles H. Kiefer has been elected a vice-president, Eugene Holycross was named agency secretary and Harold Gustafson was appointed regional manager. Mr. Kiefer has been an officer of the company since 1949 and was formerly manager of agencies and agency secretary. Mr. Holycross joined the company in 1952 and was formerly supervisor of conservation. Mr. Gustafson joined Mutual Trust last year as a field supervisor. He will be one of two regional managers for midwest agencies.

Life of Virginia

These managerial changes have been made in the combination department: J. M. Gunter has been transferred from Gadsden, Ala., to Macon, Ga.; James B. Hammock has been moved from Rome, Ga., to Gadsden; Virgil H. Stephens, field training supervisor, has been named at Rome; C. R. Ledford, Macon, has been transferred at his request to East Point, Ga., as associate manager.

Equitable Society

William J. Glennon Jr. has been named manager of the education and training division of the personnel department. He has been in the personnel department of Federal Reserve Bank of New York for five years.

Manhattan Life

James W. Scott has been appointed general agent at St. Marys, O., with offices in the Bank-Siewert building. He entered the business with Equitable Life of Iowa and recently has been with Reserve Life of Dallas.

Union Life, Ark.

J. Wythe Walker, executive vice-president, has been advanced to president to succeed his father, the late Elmo Walker. J. W. Walker has been with Union Life since 1948.

PROTECTIVE LIFE—William J. Rushon III has been named associate actuary and a director.

Cal. Assn. to Open Office

California State Assn. of Life Underwriters will open a permanent office at 41 Sutter street, San Francisco, Sept. 1.

The association has elected D. C. Burns, former newspaper and publicity man, as the first full-time executive secretary.

Acacia Mutual's Chicago office, headed by Paul Vollmers, has been moved to larger, air-conditioned offices at 100 West Monroe street.

'Illegal' Actions Charged in Mass. Group Plan

(CONTINUED FROM PAGE 1)

that if there is anything illegal it should be reported to the proper authorities.

Auditor Buckley specified some 13 employees paid out of other funds at a cost of \$6,478 to work on the insurance plan. The borrowed employees included eight from the hurricane relief board. Mr. Buckley called this a violation of the state constitution, since the employees were paid out of the hurricane and repair bond issue, which can be used only for hurricane work.

Among insurance people the Buckley charges are regarded as purely political in their motivation. The fact that the company finally won the case, had not previously been in the group business and retained only a small percentage of it—5% according to Mr. Buckley—was widely known at the time and was reported fully in THE NATIONAL UNDERWRITER. The reason for handling the transaction in this way was that many prominent group insurers were hampered because they couldn't cut their rates below the New York minimum, because of being chartered or licensed in New York.

The result was that these companies were underbid by insurers not operating in New York. To keep the Massachusetts companies from being shut out from covering their own state's employees, the plan of having the business written by Boston Mutual, which isn't licensed in New York, was developed. Boston Mutual ceded the bulk of the business to most of the other Massachusetts group insurers. The New York minimum rate law doesn't apply to reinsurance transactions.

There is considerable speculation among insurance people here on how much of a campaign issue the attack on the group insurance commission can be blown up into. Mr. Buckley is a Democrat and the chairman of the commission is a Republican. Mr. Buckley is a strong vote-getter and appears to face no trouble in getting himself reelected. The assumption is that he has launched this attack to give the Democrats an issue which they are known to be looking for.

Atlantic Advantages

Atlantic Life a Leader in New, Low-Cost Hospitalization Insurance

Atlantic Life has the distinction of being among the first to offer a Deductible Hospital Expense Policy. It contains the same quality features and benefits as other Atlantic hospitalization coverage. But, by setting up a deductible amount, the premium is substantially reduced. This deductible sum is also easy to figure, being simply five times the daily benefit.

The policy is designed to give protection against hospital expenses at attractively low cost. It forms an important part of the Company's rapidly developing program of accident, accident and sickness, and hospitalization insurance . . . a program that gives the Atlantic Life representative a full range of top quality contracts to meet the needs of today's insurance public.



ATLANTIC LIFE

INSURANCE COMPANY
HOME OFFICE: Richmond, Virginia

More than a Half-Century of Service

STOCKS

By H. W. Cornelius Bacon, Whipple & Co.
135 S. LaSalle St., Chicago, July 31, 1956

	Previous Week's Bid	Current Bid	Asked
Aetna Life	199	193	196
Beneficial Standard	29½	32	33
Cal.-Western States	91	88	92
Colonial Life	115	113	118
Columbian National	90	88	91
Commonwealth Life	23½	23½	24½
Connecticut General	276	280	284
Continental Assurance	134	134	137
Franklin Life	89½	90	91
Great Southern Life	83	82	85
Gulf Life	32½	32½	33½
Jefferson Standard	127	126	129
Kansas City Life	1350	1360	1389
Life & Casualty	37½	37½	38½
Life Insurance Investors	15½	15½	15½
Lincoln National	241	244	247
Missouri	23	23½	24½
National L. & A.	94½	95	96
North American, Ill.	23½	23	24
N. W. National	84	83	87
Ohio State Life	209	218	225
Old Line Life	62	63	66
Southland Life	108	108	112
Southwestern Life	110	110	116
Travelers	74½	74½	75½
United, Ill.	25½	24½	25½
U. S. Life	27½	28½	29½
West Coast Life	47½	47	49
Wisconsin National	54	54	58

Let's talk

New

LIFE-O-GRAPH

The finest programming and estate planning system ever devised!

Assists in every phase of your work—In the approach—in fact finding—in analyzing needs—in making recommendations—in closing—in recording the insured's estate—in continued service—in prospecting and prestige building.

Field tested. Used for years with outstanding sales results by the originator.

Write today for illustrated brochure on Life-O-Graph.



THE INSURANCE RESEARCH & REVIEW SERVICE

Hilbert Rust, C.L.U., President

INDIANAPOLIS

Bill That Would Tangle Life Investments Loses

(CONTINUED FROM PAGE 1)

ter process nearly always causes financial losses and inconvenience to personnel that could have been avoided if the parties to a merger had to clear with the government before consummating.

A general bulletin put out by American Life Convention and Life Insurance Assn. of America points out that the bill, as it passed the House, would have required that any corporation planning to acquire any part of the

stock or assets of another corporation to give 90 days advance notice to the Department of Justice and the Federal Trade Commission if the combined surplus and undivided profits of the two corporations exceeded \$10 million. Excepted from this requirement of the House bill were (1) acquisitions of stock not exceeding 5% of the shares of a corporation, acquired for investment purposes and (2) acquisitions of assets not exceeding the

lower of \$5 million or 5% of the capital of either corporation.

In this form, ALC and LIA said, the bill would have required life companies making investments that involve no possible aspect of merger or lessening of competition to notify the government and to wait 90 days before completing the transactions. This would have included life company purchases of preferred stock, corporate, state, municipal or government bonds from a bank or broker, purchase and lease-back arrangements, exercise or conversion privileges, bulk purchases of mortgages, and acquisition of corporate property through mortgage foreclosures.

When the bill came before the anti-trust subcommittees of the Senate judiciary committee Thomas A. Bradshaw, president of Provident Mutual Life, testified on behalf of ALC-LIA in opposition to the breadth of these provisions.

"During the course of these hearings the Department of Justice and the Federal Trade Commission, persuaded of the unreasonable scope of the notification requirements, suggested an amendment. This amendment would have exempted, among other things, the acquisition of bonds or other corporate obligations having no voting rights, the acquisition of stocks solely for investment when the stock held does not exceed 5% of the voting share capital of the corporation in which the investment is made, and "the acquisition, solely for the purposes of investment or to realize upon an investment, of assets, other than voting stock or other voting share capital, by any bank, banking association, trust company or insurance company, in the ordinary course of its business."

While this amendment would not have met all of the objections of the insurance business, it would have eliminated most of the difficulties, the ALC and LIA said. The Senate judiciary committee apparently concluded, however, that it was not feasible to include in the bill all of the exemptions which would be necessary to make the notification provisions workable.

Consequently, on July 26 it reported out HR 9424 with still another amendment of these provisions. In this form the bill would have required notification of stock or asset acquisitions when either the acquiring or the acquired company was engaged in interstate commerce if the combined capital structure of the two corporations exceeded \$10 million and if the stock acquired amounted to 15% or more of the voting stock or if the assets acquired were in excess of \$1 million. Additionally, however, the bill contained a provisions directing the Department of Justice and the Federal Trade Commission to prepare within 120 days a list of transactions to be exempt from these notification requirements. The report accompanying the bill referred to numerous transactions which in the opinion of the Senate committee these two agencies might consider for exemption.

It is understood that Sen. O'Mahoney will attempt to secure enactment of the legislation after Congress reconvenes next January.

Some 350 home office employees and tenants at Pan-American Life in New Orleans recently received chest X-rays in a project initiated by R. L. Hindermann, vice-president, public relations, and supervised by Dr. R. C. Voss, vice-president and medical director. The plan has been in operation two years.

Variable Annuity Concept Is Sound, Study Finds

(CONTINUED FROM PAGE 1)

from the life companies' large and active field forces. Also, many people converted to common stock investment through variable annuities would switch from life companies to direct investment through brokerage firms because the costs of selling the annuities would be high.

The article points out that if just a portion of the life companies' large reserves in annuities should be invested in common stocks, the present supply-and-demand balance in the market would undergo a major change, just as it has been altered by the growth of mutual funds and by the entrance of pension funds into stock investment in a big way.

This might result in a long period during which yields from good common stocks stayed below those from good bonds. Common stock financing would be more attractive than bond financing to firms with stocks which qualify for variable annuity investment, the study says.

Wis. Retirement Fund OKs Variable Annuity

The commission in Wisconsin set up by the governor to study retirement systems has approved in principle the variable annuity as "sound, feasible and desirable," and is taking steps to draft permissive legislation allowing state, city and county employees to purchase variable annuities on a voluntary basis. The commission subcommittee has drafted a bill for the next legislature which would amend pension laws to permit the civic employees to participate in variable annuities, and studies are also under way to make them available to teachers in the public schools in Wisconsin, as well as the state colleges and universities.

The plan for Wisconsin employees is similar to College Retirement Equity Fund, the subsidiary of Teachers Insurance & Annuity. The state investment board would handle purchases of common stocks through a segregated account, under the present draft of the plan.

The Wisconsin department has taken no stand on the sale of variable annuities by insurance companies, although Commissioner Rogan has said he plans to have a research associate devote some months of study to the question in cooperation with the University of Wisconsin and Marquette university.

Lutheran Brotherhood Agents at Dedication of New Home Office

Foundation stone-laying and dedication ceremonies for the new \$2.5 million Lutheran Brotherhood home office building and Lutheran Center were held last week in Minneapolis. Attending the dedication were the officers and some 283 general agents and agents of the society who were in Minneapolis for their annual agency conference on July 26-27.

Lutheran Brotherhood, which now has more than a quarter million members with \$674 million of life insurance in force, reported an increase in sales of 22% in the first half of 1956.

Ground-breaking for the new building was Nov. 24, 1954, and the building has been occupied since last Feb. 24.

WANT ADS

Rates—\$20 per inch per insertion—1 inch minimum—sold in units of half-inches. Limit—40 words per inch. Deadline 5 P. M. Friday in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.

THE NATIONAL UNDERWRITER—LIFE EDITION

WANTED

H. O. UNDERWRITER AND MANAGER FOR LIFE INSURANCE CO.

Small, rapidly growing company needs underwriter with experience in various phases of small company operation who can eventually become chief executive. This is a rare opportunity for a capable, ambitious man, preferably under age 40. Beginning salary, up to \$10,000. Give complete resume of experience and present salary. Horace Mann Life Insurance Company, 216 East Monroe Street, Springfield, Illinois.

OPPORTUNITY IN NORTH CAROLINA DIRECTOR OF AGENCIES

Recently organized Ordinary Company in North Carolina seeks qualified man with record of accomplishment in Recruiting, Training, & Production, to build and direct Agency Department. This is a top position, offering to the right man an unlimited opportunity. We will offer attractive financial arrangement, including stock options.

Send résumé in confidence to:
Box N-64, The National Underwriter Co.,
175 W. Jackson Blvd., Chicago 4, Illinois.

LIFE INSURANCE

Home Office Executive

Challenging position for college trained man with background of responsible home office experience in one or several of these areas (Life and/or A & H): sales promotion; agency development; policy drafting; policyholder service; actuarial; legal; group.

Here is an unusual opportunity for a capable young man with creative abilities to assume immediate stature with a young, dynamic company fully established and recognized as a leader in its field. Compensation commensurate with abilities. Excellent employee benefits. Give full details of experience in first letter leading to interview. Write to:

Director of Employment,
Government Employees Insurance Companies,
Washington 5, D. C.

I. B. M.

Progressive mid-western life company with \$250,000,000 life insurance in force, is seeking a man under 35 years of age with thorough knowledge of I. B. M. procedures and actuarial experience. Write Box N-70, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

GENERAL AGENT

Wants to make change. 35 years experience with two major companies. LIAMA graduate and taught in home office schools. Experienced in selling and teaching estate planning on any level. General agency or managerial work preferred. Write Box N-51, National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

A & S EXECUTIVE WANTED

North central combination company needs experienced A&S sales executive to plan and direct all phases of business. Unlimited opportunity for right man. Give full details in first letter. Interview will promptly be arranged. Write Box N-55, National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

MANAGERIAL OPPORTUNITY

Long established mutual company needs manager for going office in Denver. Comprehensive line of contracts. Good agent's finance plan, close home office cooperation, liberal compensation. If you are between 28 and 45, can acquire, train and supervise men, write us in confidence.

Write Box N65, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

Quality ^{and} vs. Quantity

Recently The Life of Virginia exceeded \$2,000,000,000 of insurance in force.

While quantity is important to a life company, we believe that the business which is most desirable for both a com-

pany and its representatives is permanent, quality business. There need be no conflict between quality and quantity.

We are proud to salute the following 1956 National Quality Award Winners:



12 YEARS

M. H. Webb, Jr.
D. L. Williams, C. L. U.

11 YEARS

J. A. Jamison, Jr.

8 YEARS

T. Braxton Horsley, C. L. U.

6 YEARS

Abe Richman

5 YEARS

Carl A. Marsh
E. Landon Meredith
Sam D. Montgomery, Jr.

4 YEARS

Robert W. Henry
Billy Richman
W. I. Rosenthal, C. L. U.
Howard E. Smith
Louis P. Stickley

3 YEARS

O. T. Amory, Jr.
Frank G. Childress
W. E. Durham
George H. Fletcher, Jr.
W. C. Jones
Albert E. Killian
Frank P. Redman, III
A. E. Stump, Jr.
Lloyd Williams
W. P. Wootton

2 YEARS

J. L. Bevans
Stephen Hall, Jr.
James M. Harwell
R. L. Jordan
Myron A. Migliorino
Leo H. Rice
Ernest W. Rowland, Jr.
F. L. Summers
Arthur E. Ward

1 YEAR

Robert W. Austin
Paul D. Bailey
Wade A. Barham
J. R. Clarke
Ray W. Clarke, Jr.
Theodore R. Collier
Ernest Eley
William L. Garretson
Lloyd W. George
Raymond O. Kerce
George E. Simpson
C. C. Soufas
Walter Tomala
Robert J. Vance



THE LIFE INSURANCE COMPANY OF VIRGINIA

SINCE 1871

RICHMOND, VIRGINIA

**THE AMERICAN COLLEGE
OF LIFE UNDERWRITERS**

Philadelphia, Pennsylvania

**EXTENDS TO YOU A CORDIAL INVITATION
TO**

Increase your earning power!

Render a more professional service!

Gain added prestige in your community!

**BY PREPARING TO BE A
CHARTERED LIFE UNDERWRITER**

**STUDY PROGRAM FOR 1956-'57 NEWLY REVISED
AND MODERNIZED TO MEET CHANGING TIMES!**

New developments in life insurance underwriting have opened unlimited horizons for professionally trained life agents. And to help today's agent take advantage of these challenging new opportunities, the C. L. U. curriculum for 1956-'57 has been modernized. Some subjects have been reduced or eliminated; others increased in scope. The basic aims of the new program, however, remain unchanged: to equip the professionally minded insurance agent to better serve both his client and himself!

Agents who become Chartered Life Underwriters find that their business increases by an average of 70%. They gain added prestige and an enviable professional standing in their community. And almost one-half of the men who have earned a C. L. U. degree have management positions with their companies at the present time!

★ ★ ★

Enroll in a C. L. U. class or study group *now!* It may well be the most important step of your career!

THE NEW YORK LIFE AGENT
IN YOUR COMMUNITY **BE**
IS A GOOD MAN TO ~~KNOW~~

**NEW YORK LIFE
INSURANCE COMPANY**

A MUTUAL COMPANY



FOUNDED IN 1845